LOGAN

ENERGY CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS
AS AT AND FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2024 AND 2023

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 1800, 736 – 6th Avenue S.W., Calgary, Alberta T2P 3T7 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 21, 2024, 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 condensed interim financial statements and related notes as at and for the three and six months ended June 30, 2024 and 2023 (the "**Interim Financial Statements**") and the audited annual financial statements and related notes for the years ended December 31, 2023 and 2022 (the "**Annual Financial Statements**"). Additional information relevant to the Company, including Logan's Annual Information Form for the year ended December 31, 2023 (the "**AIF**"), 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 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, 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. **Non-GAAP financial measures and ratios reported in this MD&A have been identified using capital letters and are defined herein.** 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. 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.

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.

Judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan for the comparative period ended June 30, 2023. The basis of preparation and methods of allocation are described in note 2b) of the Interim and Annual Financial Statements. The carve-out financial statements for the comparative period 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.

SECOND QUARTER 2024 HIGHLIGHTS

- Logan spent $46.1 million in the second quarter to advance development in its core operating areas.
    - At Pouce Coupe, Logan completed and brought on production a three well pad in mid-May.
    - At Simonette, Logan completed its first well at Lator and commenced completion operations on a three well pad located on its southern acreage.
- Production averaged 7,277 BOE per day (36% liquids), an increase of 45% from 5,015 BOE per day (22% liquids) in the same quarter of the previous year.
    - A major turnaround was completed at the Simonette 13-11 Gas Plant as planned in June. Budgeted downtime reduced average production for the second quarter by approximately 360 BOE per day. Certain debottlenecking projects were also completed during the outage.
    - Logan is on track to deliver H2 2024 average production in excess of 10,000 BOE per day and to meet or exceed its annual production guidance of approximately 8,700 BOE per day[1].
- The Company's Operating Netback averaged $15.75 per BOE before hedging ($15.38 per BOE after hedging) for the second quarter of 2024 and was impacted by weak natural gas prices and higher per unit operating expenses due to plant turnaround costs and other maintenance operations.
    - Logan expects to realize a material reduction in its per unit operating costs as it scales production and is forecasting H2 2024 operating costs to average between $10.00 to $10.50 per BOE, and for calendar year average operating costs to be in-line with guidance[1].
- Driven by oil production growth and strong crude oil prices, Logan's Adjusted Funds Flow increased by 178% to $8.7 million for the three months ended June 30, 2024, compared to $3.1 million in the same period of 2023.
- As of June 30, 2024, Logan had Net Debt of $21.4 million or 0.6 times its annualized Adjusted Funds Flow for the second quarter. Subsequent to the quarter, the Company's lender increased the authorized borrowing amount available under its credit facility from $50.0 million to $75.0 million (refer to "Subsequent Events").

[1] Refer to guidance published in the Company's press release dated May 22, 2024.

RESULTS OF OPERATIONS

The table below summarizes selected highlights from the Company's financial and operating results:

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, except as otherwise noted)	**2024**	2023	%	**2024**	2023	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**26,544**	13,701	94	**50,974**	32,717	56
Net income (loss) and comprehensive income (loss)	**416**	(3,856)	(111)	**(1,575)**	(34,482)	(95)
$ per common share, basic and diluted	**0.00**	(0.02)	(100)	**(0.00)**	(0.20)	(100)
Cash provided by operating activities	**3,394**	2,897	17	**20,194**	11,604	74
Adjusted Funds Flow [(1)]	**8,744**	3,142	178	**18,589**	8,797	111
$ per common share, basic and diluted [(1)]	**0.02**	0.02	-	**0.04**	0.05	(20)
Capital Expenditures before A&D [(1)]	**46,104**	5,378	757	**81,286**	6,302	nm
Acquisitions	**-**	100	(100)	**300**	100	200
Total assets	**248,390**	94,913	162	**248,390**	94,913	162
Net Debt [(1)]	**21,364**	5,227	309	**21,364**	5,227	309
Shareholders' equity	**175,122**	56,791	208	**175,122**	56,791	208
Common shares outstanding (000s), end of period [(2)]	**465,537**	173,201	169	**465,537**	173,201	169
OPERATING HIGHLIGHTS AND NETBACKS [(5)]						
Average daily production						
Crude oil (bbls/d)	**2,148**	660	225	**1,965**	706	178
Condensate (bbls/d) [(3)]	**223**	271	(18)	**244**	277	(12)
Natural gas liquids (bbls/d) [(3)]	**250**	185	35	**270**	191	41
Natural gas (mcf/d)	**27,934**	23,396	19	**28,006**	23,871	17
BOE/d	**7,277**	5,015	45	**7,147**	5,153	39
% Liquids [(4)]	**36%**	22%	64	**35%**	23%	52
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**100.54**	92.41	9	**95.73**	97.30	(2)
Condensate ($/bbl) [(3)]	**99.44**	92.66	7	**93.68**	94.34	(1)
Natural gas liquids ($/bbl) [(3)]	**53.68**	40.92	31	**52.76**	47.51	11
Natural gas ($/mcf)	**1.44**	2.43	(41)	**1.96**	3.22	(39)
Combined average ($/BOE)	**40.09**	30.02	34	**39.19**	35.08	12
Netbacks ($/BOE) [(5)]						
Oil and gas sales	**40.09**	30.02	34	**39.19**	35.08	12
Processing and other revenue	**1.04**	1.83	(43)	**1.20**	1.77	(32)
Royalties	**(4.35)**	(2.49)	75	**(3.77)**	(4.61)	(18)
Operating expenses	**(17.46)**	(15.77)	11	**(16.08)**	(16.15)	(0)
Transportation expenses	**(3.57)**	(3.58)	(0)	**(3.75)**	(3.43)	9
Operating Netback, before hedging [(5)]	**15.75**	10.01	57	**16.79**	12.66	33
Realized loss on derivative financial instruments	**(0.37)**	-	-	**(0.35)**	-	-
Operating Netback, after hedging [(5)]	**15.38**	10.01	54	**16.44**	12.66	30
General and administrative expenses	**(2.33)**	(3.08)	(24)	**(2.35)**	(2.96)	(21)
Financing income (expenses) [(6)]	**0.35**	(0.01)	nm	**0.60**	(0.01)	nm
Realized foreign exchange gain	**0.01**	-	-	**-**	-	-
Settlement of decommissioning obligations	**(0.20)**	(0.04)	400	**(0.39)**	(0.27)	44
Adjusted Funds Flow Netback [(5)]	**13.21**	6.88	92	**14.30**	9.42	52

(1) "Adjusted Funds Flow", "Capital Expenditures before A&D", and "Net Debt" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP and Other Financial Measures" section of this MD&A.

(2) Refer to "Share Capital" section of this MD&A.

(3) Condensate is a natural gas liquid ("**NGLs**") as defined by NI 51-101. See "Other Measurements".

(4) "Liquids" includes crude oil, condensate and NGLs.

(5) “Netbacks” are non-GAAP financial ratios calculated per unit of production. "Operating Netback", and “Adjusted Funds Flow Netback” do not have standardized meanings under IFRS Accounting Standards, refer to " Non-GAAP and Other Financial Measures " section.

(6) Financing income, net of financing expenses excluding non-cash accretion of decommissioning obligations.

PRODUCTION

	Three months ended June 30			Six months ended June 30		
Average daily production	**2024**	2023	%	**2024**	2023	%
Crude oil (bbls/d)	**2,148**	660	225	**1,965**	706	178
Condensate (bbls/d)	**223**	271	(18)	**244**	277	(12)
NGLs (bbls/d)	**250**	185	35	**270**	191	41
Natural gas (mcf/d)	**27,934**	23,396	19	**28,006**	23,871	17
Combined average (BOE/d)	**7,277**	5,015	45	**7,147**	5,153	39
% Liquids	**36%**	22%	64	**35%**	23%	52

Production averaged 7,277 BOE per day (36% liquids) during the second quarter of 2024, up 45% from 5,015 BOE per day (22% liquids) in the same quarter of 2023. The increase in production and liquids weighting resulted from success of Logan’s drilling program which commenced in the second half of 2023 following the Spin-Out. Logan brought a three well pad onstream at Pouce Coupe mid-way through the current quarter, in addition to five 100 percent working interest wells brought on production in the second half of the previous year. The impact of production added at Pouce Coupe during the second quarter was partly offset by planned downtime for a major turnaround at the Simonette 13-11 Gas Plant in June of 2024.

Production for the six months ended June 30, 2024 averaged 7,147 BOE per BOE, an of increase 39% from 5,153 BOE per day in the comparative period of 2023. The increase in production reflects new production from the Company’s drilling program, partly offset by planned downtime in the current quarter as noted above and unplanned downtime during the first quarter of 2024 resulting from a pipeline failure at the Company’s 6-18 pad at Pouce Coupe, Alberta.

REVENUE

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales, before royalties						
Crude oil	**19,648**	5,550	254	**34,234**	12,431	175
Condensate	**2,020**	2,288	(12)	**4,159**	4,722	(12)
NGLs	**1,221**	691	77	**2,595**	1,645	58
Natural gas	**3,655**	5,172	(29)	**9,986**	13,919	(28)
Oil and gas sales	**26,544**	13,701	94	**50,974**	32,717	56
Royalties	**(2,883)**	(1,137)	154	**(4,901)**	(4,296)	14
Oil and gas sales, net of royalties	**23,661**	12,564	88	**46,073**	28,421	62
Processing and other	**692**	836	(17)	**1,549**	1,652	(6)
	24,353	13,400	82	**47,622**	30,073	58

Oil and Gas Sales

Oil and gas sales were $26.5 million and $51.0 million during the three and six month periods ended June 30, 2024, compared to $13.7 million and $32.7 million over the corresponding periods of 2023. The increase in sales revenue was driven by Logan’s oil-weighted production growth, partly offset by lower natural gas prices.

Average Realized Prices

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**100.54**	92.41	9	**95.73**	97.30	(2)
Condensate ($/bbl)	**99.44**	92.66	7	**93.68**	94.34	(1)
NGLs ($/bbl)	**53.68**	40.92	31	**52.76**	47.51	11
Natural gas ($/mcf)	**1.44**	2.43	(41)	**1.96**	3.22	(39)
Combined average ($/BOE)	**40.09**	30.02	34	**39.19**	35.08	12
Average realized prices, after financial instruments						
Crude oil ($/bbl)	**96.71**	92.41	5	**93.05**	97.30	(4)
Condensate ($/bbl)	**99.44**	92.66	7	**93.68**	94.34	(1)
NGLs ($/bbl)	**53.68**	40.92	31	**52.76**	47.51	11
Natural gas ($/mcf)	**1.64**	2.43	(33)	**2.06**	3.22	(36)
Combined average ($/BOE)	**39.72**	30.02	32	**38.84**	35.08	11
Benchmark commodity prices						
WTI Cushing Oklahoma (US$/bbl) (1)	**80.57**	73.80	9	**78.76**	74.97	5
WTI Cushing Oklahoma (CA$/bbl) (2)	**110.25**	99.12	11	**107.03**	101.01	6
Mixed Sweet Blend ("MSW") (CA$/bbl) (3)	**105.30**	95.09	11	**98.72**	97.06	2
Conway propane (US$/gallon) (4)	**0.72**	0.67	7	**0.75**	0.73	3
NYMEX Henry Hub (US$/mmbtu) (5)	**1.89**	2.10	(10)	**2.07**	2.76	(25)
NYMEX – AECO 7A Basis (US$/mmbtu)	**(0.84)**	(0.36)	133	**(0.78)**	(0.29)	169
AECO 7A (CA$/GJ) (6)	**1.36**	2.22	(39)	**1.65**	3.17	(48)
AECO 5A (CA$/GJ) (7)	**1.12**	2.32	(52)	**1.74**	2.69	(35)
Exchange rate (CA$/US$) (8)	**1.37**	1.34	2	**1.36**	1.35	1

(1) Source: NYMEX WTI monthly average
(2) Calculated based on the US$ WTI price multiplied by the average CA$/US$ exchange rate for the month
(3) Source: Weighted average trade volume and price per Net Energy and NGX
(4) Source: Oil Price Information Service ("OPIS")
(5) Source: Canadian Gas Price Reporter (NYMEX Settle)
(6) Source: Canadian Gas Price Reporter (NGX AB-NIT Month Ahead Index 7A)
(7) Source: Canadian Gas Price Reporter (NGX AB-NIT Same Day Index 5A)
(8) Source: WM/Refinitiv noon rate

Logan realized an average price of $40.09 per BOE ($39.72 per BOE after financial instruments) during the second quarter, 5% higher than the average price of $38.26 per BOE ($37.93 per BOE after financial instruments) in the first quarter of 2024. Higher crude oil prices together with the Company's liquids weighted production growth more than offset the impact of materially lower natural gas prices. For the six months ended June 30, 2024, the Company's realized price averaged $39.19 per BOE ($38.84 per BOE after financial instruments), up 12% from $35.08 per BOE in the comparative six month period of 2023.

Crude oil and condensate represented 30% of production volumes and contributed to 75% of oil and gas sales revenue (before royalties) during the first half of 2024, up from 19% of production and 52% of sales in the comparative period. The Company's combined average realized price for crude oil and condensate of $95.51 per barrel for the six months ended June 30, 2024 decreased by 1% compared to $96.47 per barrel in the same period of 2023. Although the Canadian dollar equivalent WTI benchmark price increased by 6% period over period, the Company's realized pricing decreased primarily due to widening of Canadian crude oil differentials. The Mixed Sweet Blend ("**MSW**") crude oil reference price averaged a discount of US$6.14 (CA$8.31) per barrel relative to WTI in the first half of 2024 compared to a discount of US$2.93 (CA$3.95) per barrel in the first half of 2023. Additionally, new marketing arrangements effective in May 2024 resulted in a change in presentation of certain oil pipeline tariffs as a reduction of revenue rather than transportation expenses, which impacts reported realized pricing.

NGLs represented approximately 4% of the Company's production and contributed proportionately to 5% of sales revenue (before royalties) in both periods ended June 30, 2024 and 2023. Logan realized an average price of $52.76 per barrel (49% of CA$WTI) during the six months ended June 30, 2024, up 11% from $47.51 per barrel (47% of CA$WTI) in the same period of 2023, primarily due to stronger pentane and propane prices.

Natural gas represented 65% of production volumes and contributed to 20% of oil and gas sales revenue (before royalties) during the first half of 2024, down compared to 77% of production and 43% of sales in the comparative period. Logan currently sells 100% of its gas under AECO based contracts. During the first six months of 2024, the AECO 7A and 5A natural gas reference prices decreased by 48% and 35% respectively compared to the same period of 2023. The Company's realized price for gas sales averaged $1.44 per MCF ($1.64 per MCF after financial instruments) during the second quarter, down 42% from $2.48 per MCF in the first quarter of 2024, resulting in an average price of $1.96 per MCF ($2.06 per MCF after financial instruments) for the six month period ended June 30, 2024. By comparison, Logan's realized gas price averaged $2.43 per MCF and $3.22 per MCF during the three and six month periods ended June 30, 2023.

Commodity Price Risk Management

During the first quarter of 2024, the Company entered into commodity price risk management contracts to reduce volatility of cash flows in order to fund capital expenditures and protect project economics. Logan hedged a notional 1,000 barrels per day of WTI crude oil at CA$102.00 per barrel for March to June 2024 and an aggregate of 1,500 barrels per day of WTI crude oil at an average price of CA$101.33 per barrel for July through December 2024. Additionally, the Company hedged a notional 15,000 GJ per day of AECO 7A natural gas at $1.73 per GJ for the period from April to June 2024 and 20,000 GJ per day of AECO 7A natural gas at $1.63 per GJ for the period from July to September 2024. Refer to "Subsequent Events" for information regarding new contracts entered after the reporting period related to the 2025 calendar year.

WTI averaged CA$109.90 per barrel for the period from March to June 2024 compared to the fixed price of CA$102.00 per barrel, resulting in a realized loss of approximately $1.0 million on the Company's oil hedges during the period. The impact is partly offset by a realized gain of $0.5 million on hedged gas volumes as AECO 7A averaged $1.36 per GJ compared to the contracted price of $1.73 per GJ during the second quarter of 2024. The fair value of the contracts outstanding as at June 30, 2024, resulted in a derivative financial instrument liability of $1.9 million related to the oil contracts and a derivative financial instrument asset of $1.6 million related to the natural gas contracts. The unrealized gain of $1.9 million during the second quarter resulted primarily from the weaker outlook for natural gas prices. Additional information regarding the foregoing is provided under the heading "Risks and Uncertainties – Market Risks – Commodity Price Risk".

The table below summarizes the realized and unrealized component of the gain (loss) on derivative financial instruments during the periods:

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

Royalties

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Gross royalties, before GCA	**3,315**	2,961	12	**6,020**	7,082	(15)
Gas cost allowance ("GCA")	**(432)**	(1,824)	(76)	**(1,119)**	(2,786)	(60)
Royalties	**2,883**	1,137	154	**4,901**	4,296	14
$ per BOE	**4.35**	2.49	75	**3.77**	4.61	(18)
Average royalty rate (% of sales)	**10.9%**	8.3%	31	**9.6%**	13.1%	(27)

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. Logan's gross royalties before GCA did not increase in tandem with production increases over the prior periods primarily due to a higher proportion of new production receiving the incentive royalty rate of 5% under the Alberta Modern Royalty Framework ("**MRF**") and declining production from wells on post C* royalty rates. GCA credits are trued-up annually by the Alberta Crown in the second quarter of each year, which contributed to the increase in Logan's average royalty rate in the current quarter. The Company's estimated GCA credits decreased from the prior period due to a reduction in the overall royalties paid in the current period.

Processing and Other Revenue

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Processing and other	**692**	836	(17)	**1,549**	1,652	(6)
$ per BOE	**1.04**	1.83	(43)	**1.20**	1.77	(32)

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 generally consistent at approximately $0.8 million per quarter, with the fluctuations in average processing and other revenue per BOE driven by the movement in total production volumes. The decrease in the current quarter processing and other revenue reflects planned downtime for a turnaround at the Simonette 13-11 Gas Plant in June of 2024.

OPERATING EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Operating expenses	**11,563**	7,198	61	**20,913**	15,061	39
$ per BOE	**17.46**	15.77	11	**16.08**	16.15	(0)

Operating expenses were $11.6 million and $20.9 million for the three and six months ended June 30, 2024 and averaged $17.46 per BOE and $16.08 per BOE, respectively. The current quarter reflects significant incremental operating expenses related to a planned turnaround at the Simonette 13-11 Gas Plant amongst other maintenance projects. Additionally, operating expenses for the first half of 2024 also includes the impact of remediation expenses associated with a pipeline failure in Pouce Coupe during the first quarter of 2024, as well as other significant workovers and maintenance expenses incurred during the period.

Despite significant non-recurring operating expenses, the Company's per unit operating expenses in the first half of 2024 were relatively consistent with the comparative period as efficiencies with scale offset the incremental cost impact. The Company expects its operating costs to improve significantly with anticipated production growth in the second half of the year, and is on track to achieve its guidance for forecasted 2024 calendar year average operating expenses of

approximately $12.62 per BOE (refer to the press release issued on May 22, 2024 for additional information and advisories).

TRANSPORTATION EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Transportation expenses	**2,361**	1,632	45	**4,872**	3,201	52
$ per BOE	**3.57**	3.58	(0)	**3.75**	3.43	9

Total transportation expenses for the three and six months ended June 30, 2024 were $2.4 million and $4.9 million, respectively, up from $1.6 million and $3.2 million in the comparative periods. The increase in total transportation expenses resulted from higher production together with the significant increase in oil production which carries a higher transportation cost per BOE. In addition to the higher transportation costs for liquids, on the Spin-Out Logan assumed certain firm transportation contracts with additional capacity to grow production which resulted in higher transportation costs in the current periods (see also, “Commitments and Contingencies”).

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)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales	**40.09**	30.02	34	**39.19**	35.08	12
Processing and other revenue	**1.04**	1.83	(43)	**1.20**	1.77	(32)
Royalties	**(4.35)**	(2.49)	75	**(3.77)**	(4.61)	(18)
Operating expenses	**(17.46)**	(15.77)	11	**(16.08)**	(16.15)	(0)
Transportation expenses	**(3.57)**	(3.58)	(0)	**(3.75)**	(3.43)	9
Operating Netback, before hedging	**15.75**	10.01	57	**16.79**	12.66	33
Realized loss on derivatives	**(0.37)**	-	-	**(0.35)**	-	-
Operating Netback, after hedging	**15.38**	10.01	54	**16.44**	12.66	30

Logan’s Operating Netback averaged $15.75 per BOE before hedging ($15.38 per BOE after hedging) for the three months ended June 30, 2024, up 57% from the average Operating Netback of $10.01 per BOE during the comparative period. The increase in Operating Netback is driven the Company’s liquids-weighted production and revenue growth, partly offset by lower natural gas prices, higher average royalties, and an increase in operating expenses due to a major turnaround at the Simonette 13-11 Gas Plant and other maintenance expenses in the second quarter of 2024.

Similarly, Logan’s Operating Netback averaged $16.79 per BOE before hedging ($16.44 per BOE after hedging) in the first half of 2024, up 33% from the average Operating Netback of $12.66 per BOE in the first half of 2023, primarily reflecting higher oil and gas sales from the Company’s liquids-weighted production growth.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Gross G&A expenses	**2,386**	1,549	54	**4,729**	3,056	55
Overhead recoveries	**(844)**	(144)	486	**(1,671)**	(297)	463
Net G&A expenses	**1,542**	1,405	10	**3,058**	2,759	11
Gross G&A ($ per BOE)	**3.60**	3.39	6	**3.64**	3.28	11
Net G&A ($ per BOE)	**2.33**	3.08	(24)	**2.35**	2.96	(21)

For the three and six months ended June 30, 2024, Logan's gross G&A expenses were $2.4 million and $4.7 million, respectively, and net G&A expenses were $1.5 million ($2.33 per BOE) and $3.1 million ($2.35 per BOE). The increase in gross G&A expenses relative to allocated amounts in the comparative period reflects incremental costs to manage the Transferred Assets as a stand alone entity. Overhead recoveries increased in conjunction with higher capital expenditures in the current periods.

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 for the comparative three and six months ended June 30, 2023. 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 prior to the Spin-Out.

SHARE BASED COMPENSATION ("SBC")

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Stock options	**1,298**	94	1,281	**2,581**	329	684
Share awards	**-**	1,374	(100)	**-**	2,991	(100)
Share based compensation expense	**1,298**	1,468	(12)	**2,581**	3,320	(22)
$ per BOE	**1.96**	3.22	(39)	**1.98**	3.56	(44)

On November 22, 2023, the Company's Board of Directors approved the grant of 22.7 million stock options with an exercise price of $0.89 per share. SBC expense related to the stock options granted by Logan is recognized over the three-year vesting period using graded amortization which resulted in SBC expense of $1.3 million and $2.6 million during the three and six months ended June 30, 2024, respectively. As at June 30, 2024, the outstanding stock options represent 4.9% of Logan's total common shares issued and outstanding.

For purposes of the carve-out financial statements, SBC of Spartan was allocated to the Transferred Assets pro rata on a head count basis for the comparative three and six months ended June 30, 2023.

FINANCING

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Interest and fees on bank debt	**77**	-	-	**164**	-	-
Interest income	**(306)**	-	-	**(942)**	-	-
Interest expense (income)	**(229)**	-	-	**(778)**	-	-
Financing cost of lease liabilities	**1**	3	(67)	**3**	6	(50)
Accretion of decommissioning obligations	**248**	223	11	**483**	446	8
Financing expense (income)	**20**	226	(91)	**(292)**	452	(165)
Financing expense (income) ($/BOE)	**0.02**	0.50	(96)	**(0.23)**	0.48	(148)

The Company earned interest income of $0.3 million and $0.9 million during the three and six months ended June 30, 2024. Interest income on cash more than offset financing expenses in the first half of 2024.

Logan has access to a revolving demand credit facility with National Bank of Canada. The Credit Facility (defined herein) was undrawn during the first half of 2024. Total interest and fees on bank debt includes standby fees on the undrawn facility and amortization of upfront fees incurred to establish the Credit Facility. Additional information is provided under the heading “Capital Resources and Liquidity”.

EXPLORATION AND EVALUATION (“E&E") EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Expired mineral leases	**-**	-	-	**-**	-	-
Impairment	**-**	-	-	**-**	21,017	(100)
Exploration and evaluation expense	**-**	-	-	**-**	21,017	(100)
Exploration and evaluation ($ per BOE)	**-**	-	-	**-**	22.54	(100)

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 reserve report. The estimated fair value was based on an independent third party land valuation of $5.7 million for the undeveloped Flatrock property. As at June 30, 2024, there were no further indicators of impairment relating to E&E assets.

DEPLETION, DEPRECIATION AND IMPAIRMENT (“DD&I”)

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Depletion and depreciation of PP&E	**8,239**	5,292	56	**17,000**	11,110	53
Depreciation of ROU Assets	**40**	35	14	**80**	69	16
Depletion and depreciation	**8,279**	5,327	55	**17,080**	11,179	53
Impairment of PP&E	**-**	-	-	**-**	7,566	(100)
Total DD&I expense	**8,279**	5,327	55	**17,080**	18,745	(9)
Depletion and depreciation ($ per BOE)	**12.50**	11.67	7	**13.13**	11.99	10
Total DD&I expense ($ per BOE)	**12.50**	11.67	7	**13.13**	20.10	(35)

The Company reported depletion and depreciation ("**D&D**") expense of $8.3 million ($12.50 per BOE) for the three months ended June 30, 2024. In the first half of 2024, D&D expense of $17.1 million includes $1.4 million ($1.08 per BOE) of incremental expense to fully deplete the estimated remaining carrying value of a failed pipeline that was replaced during the first quarter of 2024. As a result, per unit D&D expenses averaged of $13.13 per BOE during the six months ended June 30, 2024 as compared to $11.99 per BOE in the same period of 2023.

Total DD&I expense for the prior period six months ended June 30, 2023 includes an impairment loss on PP&E of $7.6 million recognized in Spartan's historical records as at March 31, 2023. This impairment loss was subsequently more than offset by an $8.4 million reversal of accumulated PP&E impairment during the fourth quarter ended December 31, 2023. While Spartan did not have development plans for the Transferred Assets thereby triggering the impairment loss at March 31, 2023, Logan commenced an active development program subsequent to the Spin-Out and reported a material increase in the Company's oil and gas reserves at December 31, 2023. As a result, Logan recognized a reversal of impairment of $8.4 million for the Alberta cash generating unit, 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. Refer to note 7 of the Interim or Annual Financial Statements for details of the impairment and impairment reversal calculations.

INCOME TAXES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Current income tax	**-**	-	-	**-**	-	-
Deferred income tax	**513**	-	-	**302**	-	-
Income tax expense	**513**	-	-	**302**	-	-
Income (loss) before income taxes	**929**	(3,856)	(124)	**(1,273)**	(34,482)	(96)
Effective tax rate	**55.2%**	0.0%	-	**(23.7%)**	0.0%	-

Logan is subject to income taxes at a combined federal and provincial statutory tax rate of 23.0%. Logan's effective tax rate of 55.2% for the three months ended June 30, 2024 is higher than the statutory tax rate due to non-deductible SBC expense. Similarly, non-deductible SBC expense resulted in deferred income tax expense for the six months ended June 30, 2024 despite a net loss incurred for the period. The Company did not record current or deferred income taxes for the carve-out period 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's total available tax pools are estimated to be approximately $182.5 million as at June 30, 2024, up from $119.4 million as at December 31, 2023. The Company's estimated tax pools increased as capital expenditures exceeded cash flow during the period. The composition of the Company's estimated tax pools is summarized in the table below:

(CA$ thousands, unless otherwise indicated)	Rate [1]	**June 30, 2024**	December 31, 2023
Canadian oil and gas property expenses (COGPE)	10%	**49,878**	49,875
Canadian development expenses (CDE)	30%	**74,125**	37,390
Canadian exploration expenses (CEE)	100%	**3,309**	3,148
Undepreciated capital cost (UCC) [2]	25%	**36,498**	13,788
Share issue costs (SIC)	5 years	**67**	74
Non-capital losses (NCL) [3]	100%	**18,618**	15,140
Total available tax pools (estimate)		**182,495**	119,415

(1) The deduction rates shown represent the maximum annual deduction permitted on a declining balance basis, except for share issue costs which are deductible on a straight-line basis over 5 years.

(2) The majority of the UCC balance relates to Class 41 assets which are deductible at 25% per year.

(3) NCLs expire in years 2043 to 2044.

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Revenue	**24,353**	13,400	82	**47,622**	30,073	58
Gain (loss) on derivative financial instruments	**1,635**	-	-	**(695)**	-	-
Expenses	**(25,059)**	(17,256)	45	**(48,200)**	(64,555)	(25)
Income (loss) before income taxes	**929**	(3,856)	(124)	**(1,273)**	(34,482)	(96)
Deferred income tax expense	**513**	-	-	**302**	-	-
Net income (loss) and comprehensive income (loss)	**416**	(3,856)	(111)	**(1,575)**	(34,482)	(95)
WA Shares outstanding – basic (000s)	**465,537**	173,201	169	**465,537**	173,201	169
WA Shares outstanding – diluted (000s) [(1) (2)]	**504,526**	173,201	191	**503,750**	173,201	191
Net loss $ per share basic and diluted	**0.00**	(0.02)	(100)	**(0.00)**	(0.20)	(100)

(1) In computing the diluted income (loss) per common share for the three and six months ended June 30, 2024, the Company excluded the effect of outstanding stock options as they were not in-the-money during the periods.

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

Logan reported net income of $0.4 million for the three months ended June 30, 2024. Net income improved with the Company's liquids-weighted production growth together with an unrealized hedging gain, however, declining natural gas prices and incremental operating expenses and production downtime related to a planned turnaround at the Simonette 13-11 Gas Plant reduced the Company's profit for the current quarter.

For the six months ended June 30, 2024, Logan reported a net loss of $1.6 million. In addition to the turnaround completed in the second quarter, the loss is due to unplanned production downtime from the Pouce Coupe 6-18 pipeline failure, which resulted in lower revenue and higher operating and depletion expenses during the current period.

The Company's net loss was $3.9 million and $34.5 million for the three and six month carve-out periods ended June 30, 2023. Prior to the Spin-Out, minimal capital was allocated by Spartan to the Transferred Assets which resulted in lower production and weaker economics due to high fixed expenses associated with owned infrastructure. The net loss reported for the comparative period also includes impairment losses of $21.0 million on E&E and $7.6 million on PP&E, recognized in the historical records of Spartan 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 Accounting Standards. Refer to advisories under "Non-GAAP and Other Financial Measures".

Second Quarter of 2024 compared to Second Quarter of 2023

Amounts are CA$ thousands, except as noted	**Q2/24**	Q2/23	%	**Q2/24 $/BOE**	Q2/23 $/BOE	%
Oil and gas sales, net of royalties	**23,661**	12,564	88	**35.74**	27.53	30
Processing and other revenue	**692**	836	(17)	**1.04**	1.83	(43)
Operating expenses	**(11,563)**	(7,198)	61	**(17.46)**	(15.77)	11
Transportation expenses	**(2,361)**	(1,632)	45	**(3.57)**	(3.58)	(0)
Operating Income, before hedging (1)	**10,429**	4,570	128	**15.75**	10.01	57
Realized loss on derivative financial instruments	**(244)**	-	-	**(0.37)**	-	-
Operating Income, after hedging (1)	**10,185**	4,570	123	**15.38**	10.01	54
G&A expenses	**(1,542)**	(1,405)	10	**(2.33)**	(3.08)	(24)
Financing income (expenses) (2)	**228**	(3)	nm	**0.35**	(0.01)	nm
Realized foreign exchange gain (loss)	**4**	-	-	**0.01**	-	-
Settlement of decommissioning obligations	**(131)**	(20)	555	**(0.20)**	(0.04)	400
Adjusted Funds Flow (1)	**8,744**	3,142	178	**13.21**	6.88	92
Change in non-cash working capital	**(5,350)**	(245)	nm	**(8.08)**	(0.54)	nm
Cash provided by operating activities	**3,394**	2,897	17	**5.13**	6.34	(19)
Adjusted Funds Flow per share (1)						
Basic and diluted ($ per common share)	**0.02**	0.02	-			

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

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

Logan generated $8.7 million of Adjusted Funds Flow for the three months ended June 30, 2024, up from $3.1 million in the same period of 2023. The increase in Adjusted Funds Flow was driven primarily by higher Operating Income resulting from Logan's liquids-weighted production growth, together with financing income and partly offset by incremental G&A to support growth and settlements of decommissioning obligations.

Logan's cash provided by operating activities was $3.4 million and $2.9 million for the three months ended June 30, 2024 and 2023, respectively, 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 2024, the net decrease in non-cash operating working capital is primarily due to an increase in accounts receivable at June 30, 2024 as compared to March 31, 2024.

Six Months ended June 30, 2024 compared to Six Months Ended June 30, 2023

Amounts are CA$ thousands, except as noted	**H1/24**	H1/23	%	**H1/24 $/BOE**	H1/23 $/BOE	%
Oil and gas sales, net of royalties	**46,073**	28,421	62	**35.42**	30.47	16
Processing and other revenue	**1,549**	1,652	(6)	**1.20**	1.77	(32)
Operating expenses	**(20,913)**	(15,061)	39	**(16.08)**	(16.15)	(0)
Transportation expenses	**(4,872)**	(3,201)	52	**(3.75)**	(3.43)	9
Operating Income, before hedging [(1)]	**21,837**	11,811	85	**16.79**	12.66	33
Realized loss on derivative financial instruments	**(456)**	-	-	**(0.35)**	-	-
Operating Income, after hedging [(1)]	**21,381**	11,811	81	**16.44**	12.66	30
G&A expenses	**(3,058)**	(2,759)	11	**(2.35)**	(2.96)	(21)
Financing income (expenses) [(2)]	**775**	(6)	nm	**0.60**	(0.01)	nm
Realized foreign exchange gain (loss)	**2**	-	-	**-**	-	-
Settlement of decommissioning obligations	**(511)**	(249)	105	**(0.39)**	(0.27)	44
Adjusted Funds Flow [(1)]	**18,589**	8,797	111	**14.30**	9.42	52
Change in non-cash working capital	**1,605**	2,807	(43)	**1.23**	3.01	(59)
Cash provided by operating activities	**20,194**	11,604	74	**15.53**	12.43	25
Adjusted Funds Flow per share [(1)]						
Basic and diluted ($ per common share)	**0.04**	0.05	(0.20)			

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

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

Logan generated $18.6 million of Adjusted Funds Flow for the six months ended June 30, 2024, up from $8.8 million in the same period of 2023. The increase in Adjusted Funds Flow was driven primarily by higher Operating Income resulting from Logan's liquids-weighted production growth, together with financing income and partly offset by incremental G&A to support growth and settlements of decommissioning obligations.

Logan's cash provided by operating activities was $20.2 million and $11.6 million for the six months ended June 30, 2024 and 2023, respectively, 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 first half of 2024, the net increase in non-cash operating working capital is primarily due to an increase in accounts payable and accrued liabilities at June 30, 2024 as compared to December 31, 2023.

CASH USED IN INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

The following table summarizes Capital Expenditures during the three and six months ended June 30, 2024 and 2023. The term Capital Expenditures does not have a standardized meaning under IFRS Accounting Standards 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 $47.3 million and $72.2 million for the three and six months ended June 30, 2024, 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)	**2024**	2023	%	**2024**	2023	%
Land and seismic	**188**	1,224	(85)	**745**	1,273	(41)
Drilling and completion	**32,390**	26	nm	**51,202**	34	nm
Facilities, pipeline and well equipment	**13,131**	4,128	218	**26,618**	4,995	433
Production optimization and other	**395**	-	-	**2,721**	-	-
Capital Expenditures before A&D [(1)]	**46,104**	5,378	757	**81,286**	6,302	nm
Acquisitions	**-**	100	(100)	**300**	100	200
Dispositions	**-**	-	-	**-**	-	-
Capital Expenditures [(1)]	**46,104**	5,478	742	**81,586**	6,402	nm

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

The Company's Capital Expenditures before A&D were $46.1 million and $81.3 for the three and six months ended June 30, 2024. Logan drilled 6.0 net wells during the first half of 2024, of which 3.0 net wells were brought on production at Pouce Coupe in the second quarter. Additionally, the Company progressed water disposal solutions with capital invested towards installation of a water disposal pipeline and conversion of an abandoned well for disposal at Simonette. Logan also advanced other facility debottlenecking projects and procured long lead equipment for the Pouce Coupe processing facility.

Minimal capital expenditures were incurred during the comparative period ended June 30, 2023, when the Transferred Assets were owned by Spartan.

DRILLING ACTIVITY	Three months ended June 30		Six months ended June 30	
Number of Net Wells	**2024**	2023	**2024**	2023
Drilled [(1)]	**3.0**	-	**6.0**	-
Completed	**4.0**	-	**4.0**	-
On production	**3.0**	-	**3.0**	-
Service/disposal [(1)]	**-**	-	**-**	-

(1) Wells are counted as drilled based on the rig release date.

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, 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 (if any), 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 and Net Debt (Surplus) are summarized below:

(Assets) Liabilities *(CA$ thousands, except as noted)*	**June 30, 2024**	December 31, 2023
Cash	**(1,897)**	(53,970)
Accounts receivable	**(12,937)**	(13,680)
Prepaid expenses and deposits	**(3,313)**	(1,522)
Accounts payable and accrued liabilities	**37,751**	25,704
Current portion of lease liabilities	**60**	135
Current portion of decommissioning obligations	**1,700**	1,700
Adjusted Working Capital [(1)]	**21,364**	(41,633)
Bank debt	**-**	-
Net Debt (Surplus) [(1)]	**21,364**	(41,633)
Total shareholders' equity	**175,122**	174,116

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

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 (refer to "Subsequent Events").

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. 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.

Logan's existing capital resources 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	61	5	-	-	66
Total	**39,688**	**5**	**-**	**-**	**39,693**

CREDIT FACILITY

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 (refer to "Subsequent Events"). 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. As at June 30, 2024, the Company's "Net Debt to Cash Flow" ratio was 0.57 and Logan is in compliance with all other covenants.

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**") published by the Bank of Canada, 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 facility (the "LC Facility") which provides Logan with $5.0 million of incremental credit capacity to issue letters of credit. The letters of credit may be issues for general corporate purposes and are limited to a term of one year from the date of issuance. Letter of credit obligations, when incurred, are repayable on demand. The LC facility provides Logan with additional liquidity as letters of credit issued under the LC Facility will not reduce the borrowing capacity under the Credit Facility.

SHARE CAPITAL

Common shares of Logan were listed on the TSXV and commenced trading on July 18, 2023, under the symbol "LGN". 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. The previous VWAP was $0.96 per share for the period from listing on July 18, 2023 to December 31, 2023.

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. As of June 30, 2024, there were 465.5 million common shares outstanding. 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)	December 31, 2023	**June 30, 2024**	**August 21, 2024**
Common shares	465,537	**465,537**	**465,537**
Financing Warrants [(1)]	64,286	**64,286**	**64,286**
Stock options [(2)]	22,695	**22,645**	**22,645**
Total securities outstanding [(3)]	552,518	**552,468**	**552,468**

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

(2) On November 22, 2023, 22.7 million stock options were granted with an exercise price of $0.89 per common share. As at June 30, 2024 22.6 million stock options are outstanding with a remaining term of 4.4 years.

(3) 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 Accounting Standards. 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 Accounting Standards, as presented in the table below.

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)	**2024**	2023[(3)]	%	**2024**	2023[(3)]	%
WA Shares outstanding, basic	**465,537**	173,201	169	**465,537**	173,201	169
Dilutive effect of outstanding securities [(1)(2)]	**38,989**	-	-	**38,213**	-	-
WA Shares outstanding, diluted	**504,526**	173,201	191	**503,750**	173,201	191

(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) For the six month period ended June 30, 2024, the outstanding securities were antidilutive to Logan's net loss per share, however they are dilutive to AFF per share.

(3) 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 (173.2 million).

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 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 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 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

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.

SUBEQUENT 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 a derivative financial contract to fix the price of WTI crude oil at CA$102.05 per barrel on a notional 500 barrels per day for calendar year 2025. The contract price represented a premium of approximately CA$5.75 per barrel relative to WTI strip pricing at the time of entering the swap. To earn this premium, the Company also sold monthly call options on an incremental 500 barrels per day of WTI crude oil at CA$102.05 per barrel for calendar year 2025.

SUMMARY OF QUARTERLY INFORMATION

The table below summarizes selected financial and operational information over the past eight quarters. As further described under the heading "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.

(CA$ millions, except as noted)	**Q2 2024**	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	**24,353**	23,269	27,187	15,458	13,400	16,673	22,369	24,563
Net income (loss) and comprehensive income (loss)	**416**	(1,991)	11,391	(10,708)	(3,856)	(30,626)	4,436	6,959
$ per share, basic	**0.00**	(0.00)	0.02	(0.03)	(0.02)	(0.18)	0.03	0.04
$ per share, diluted	**0.00**	(0.00)	0.02	(0.03)	(0.02)	(0.18)	0.03	0.04
Cash provided by operating activities	**3,394**	16,800	11,176	1,174	2,897	8,707	10,558	16,925
Adjusted Funds Flow [(1)]	**8,744**	9,845	15,392	5,159	3,142	5,654	11,166	12,914
Capital Expenditures [(1)]	**46,104**	35,482	40,719	38,680	5,478	924	5,448	710
Total assets	**248,390**	244,787	234,638	218,390	94,913	95,549	131,903	132,483
Working capital surplus (deficit)	**(21,603)**	13,881	41,633	67,374	(5,227)	(3,275)	277	536
Long-term liabilities	**31,881**	31,280	32,983	25,675	28,297	28,442	27,627	29,564
Shareholders' equity	**175,122**	173,408	174,116	162,165	56,791	58,778	95,795	95,465
Average daily production (BOE/d)	**7,277**	7,017	7,515	5,394	5,015	5,290	5,627	6,041
% Oil and NGLs	**36%**	33%	35%	24%	22%	23%	24%	25%
Average realized price ($ per BOE)	**40.09**	38.26	41.44	35.24	30.02	39.94	49.88	49.78
Operating Netback, after hedging ($ per BOE) [(1)]	**15.38**	17.54	23.63	10.94	10.01	15.20	25.14	26.20

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

Spartan drilled and brought on production 3.0 net wells at Pouce Coupe in late 2021. Thereafter 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 first quarter of 2023, Spartan recognized total impairments of $28.6 million on the Transferred Assets (see "Exploration and Evaluation Expense" and "Depletion, Depreciation and Impairment"). Logan commenced active operations and its drilling program in the third quarter of 2023, driving the increase in capital spending as well as higher production volumes and revenue, together with higher average realized prices. The July 2023 Financings were completed for net proceeds of approximately $102.2 million, funding Logan's working capital surplus as at September 30, 2023. The net loss reported for the third quarter of 2023 primarily resulted from a one-time charge of $9.8 million of share based compensation expense related to the Financing Warrants. Logan continued its capital program through the fourth quarter, spending $40.7 million to finish off the H2 2023 $75 million capital budget. Net income for the fourth quarter increased with higher production resulting from the 2.0 net wells brought on production late in the third quarter, with a boost from 3.0 net wells brought on production in the fourth quarter, as well as an $8.4 million reversal of PP&E impairment. In the first quarter of 2024, revenue and Adjusted Funds Flow was impacted by unplanned production downtime resulting from a pipeline failure, compounded by lower realized pricing. The net loss in the first quarter was further driven by an unrealized loss on derivatives and incremental depletion resulting from a pipeline replacement. Logan's first half capital program included drilling 6.0 net wells, with locations drilled at Pouce Coupe, Simonette, and the first well on the recently acquired acreage at Lator, of which 3.0 net Pouce Coupe wells were brought on production in the second quarter. New well production brought on mid-way through the second quarter of 2024 was substantially offset by planned production downtime for a turnaround at the Simonette 13-11 Gas plant in June of 2024. New production drove up Logan's liquids-weighting, combating significant declines to gas commodity pricing in the current quarter. Net income in the second quarter of 2024 also includes the impact of unrealized hedging gains.

MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are described in note 3 of the Annual Financial Statements as at 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). 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.

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 Annual Financial Statements and Interim Financial Statements.

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 AIF for the year ended December 31, 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 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. Refer to "Subsequent Events" for information regarding new contracts entered after the reporting period.

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 September 30, 2024	1,637
Net derivative financial instrument liability as at June 30, 2024					**(239)**

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

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 the 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, however, commodity price risk management contracts have been entered in Canadian dollars partly mitigating currency risk.

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, 2024, the Company's financial assets include cash and cash equivalents, accounts receivable, deposits and derivative financial instruments. 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. As at June 30, 2024 and at December 31, 2023, Logan's expected credit loss provision was nominal.

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, 2024 and at December 31, 2023, Logan's financial liabilities include accounts payable and accrued liabilities, derivative financial instruments, and lease liabilities; the Company's Credit Facility is undrawn. A contractual maturity analysis is provided in the "Capital Resources and Liquidity" section of this MD&A. Logan's existing capital resources are sufficient to satisfy its financial obligations for the next twelve months.

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 Accounting Standards 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 Accounting Standards.

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, plus processing and other revenue, less royalties, 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)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales	**26,544**	13,701	94	**50,974**	32,717	56
Processing and other revenue	**692**	836	(17)	**1,549**	1,652	(6)
Royalty expenses	**(2,883)**	(1,137)	154	**(4,901)**	(4,296)	14
Operating expenses	**(11,563)**	(7,198)	61	**(20,913)**	(15,061)	39
Transportation expenses	**(2,361)**	(1,632)	45	**(4,872)**	(3,201)	52
Operating Income, before hedging	**10,429**	4,570	128	**21,837**	11,811	85
Realized gain (loss) on derivative financial instruments	**(244)**	-	-	**(456)**	-	-
Operating Income, after hedging	**10,185**	4,570	123	**21,381**	11,811	81
Production (BOE)	**662,137**	456,474	45	**1,300,704**	932,545	39
Operating Netback, before hedging ($/BOE)	**15.75**	10.01	57	**16.79**	12.66	33
Operating Netback, after hedging ($/BOE)	**15.38**	10.01	54	**16.44**	12.66	30

Adjusted Funds Flow

"**Adjusted Funds Flow**" is calculated by Logan as cash provided by operating activities before changes in non-cash working capital and adding back transaction costs (if any). Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance. Logan believes Adjusted Funds Flow 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. 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 Accounting Standards to the Company's definition of Adjusted Funds Flow:

	Three months ended June 30			Six months ended June 30		
(CA$ thousands)	**2024**	2023	%	**2024**	2023	%
Cash provided by operating activities	**3,394**	2,897	17	**20,194**	11,604	74
Change in non-cash operating working capital	**5,350**	245	nm	**(1,605)**	(2,807)	(43)
Add back: transaction costs	**-**	-	-	**-**	-	-
Adjusted Funds Flow	**8,744**	3,142	178	**18,589**	8,797	111

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 treasury stock method under 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)	**2024**	2023	%	**2024**	2023	%
Adjusted Funds Flow	**8,744**	3,142	178	**18,589**	8,797	111
WA Shares outstanding (000s) – basic	**465,537**	173,201	169	**465,537**	173,201	169
WA Shares outstanding (000s) – diluted	**504,526**	173,201	191	**503,750**	173,201	191
AFF per share						
Basic ($ per common share)	**0.02**	0.02	-	**0.04**	0.05	(20)
Diluted ($ per common share)	**0.02**	0.02	-	**0.04**	0.05	(20)

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)	**2024**	2023	**2024**	2023
Exploration and evaluation assets	**13,034**	1,224	**23,657**	1,273
Property, plant and equipment	**33,070**	4,154	**57,629**	5,029
Capital Expenditures before A&D	**46,104**	5,378	**81,286**	6,302
Acquisitions	**-**	100	**300**	100
Dispositions	**-**	-	**-**	-
Capital Expenditures	**46,104**	5,478	**81,586**	6,402
Change in non-cash investing working capital	**1,217**	(2,185)	**(9,398)**	(2,679)
Cash used in investing activities	**47,321**	3,293	**72,188**	3,723

Net Debt (Surplus) and Adjusted Working Capital

Throughout this MD&A, references to "**Net Debt**" or "**Net Surplus**" includes bank debt (if any), net of Adjusted Working Capital. Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. "**Adjusted Working Capital**" is calculated as current liabilities less current assets, excluding derivative financial instrument assets and liabilities and the current portion of bank debt. As at June 30, 2024, the Adjusted Working Capital surplus includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities, and the current portion of lease liabilities and decommissioning obligations. A summary of the significant components of Adjusted Working Capital and Net Debt (Surplus) are provided under the heading "Capital Resources and Liquidity". A reconciliation to working capital determined in accordance with GAAP is also provided 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)

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.

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
AIF	refers to the Company's 2023 Annual Information Form dated March 18, 2024
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
G&A	general and administrative expenses
GAAP	refers to Canadian Generally Accepted Accounting Principles, which incorporate IFRS Accounting Standards for public companies
GJ	gigajoule
H1	six months ending June 30
H2	six months ending December 31
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
MSW	Mixed Sweet Blend crude oil
nm	"not meaningful", generally with reference to a percentage change
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
Q1 2024	first quarter of 2024
Q2 2024	second quarter of 2024
Q1 2023	first quarter of 2023
Q2 2023	second quarter of 2023
Q3 2023	third quarter of 2023
Q4 2023	fourth quarter of 2023
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", “project” 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;
- expectations around H2 2024 production, including meeting or exceeding annual production guidance;
- anticipated reduction in H2 2024 operating costs, including the expectation that per unit operating expenses will decrease with production growth and 2024 annual operating costs will be in-line with guidance;
- assumptions regarding future commodity benchmark pricing, including the ability to protect cash flow and preserve project economics through hedging;
- Logan's intention to maintain a flexible capital structure and to maintain a strong balance sheet to allow the Company to take advantage of opportunities;
- Logan’s intention to maintain sufficient unused bank credit lines to satisfy working capital deficiencies;
- capital resources and liquidity, including Logan’s expectations regarding sources of funding for future development capital expenditures and acquisitions;
- estimates used to calculate the fair value of the Financing Warrants;
- estimates used to calculate decommissioning obligations and depletion, impairment and impairment reversal of PP&E;
- estimates used to calculate deferred income taxes and estimated available tax pools and the composition thereof;
- commitments and contingencies; and
- expectations for forecast commodity prices in 2024 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 (including that Logan is well capitalized to execute on its 2024 capital expenditure program and growth strategy), 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, hostilities, civil insurrections, changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the *Competition Act* (Canada)), 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 pandemics, the retention of key management and employees, risks with respect to unplanned pipeline outages and risks relating to inclement weather and severe weather events and natural disasters, such as fire, drought, flooding and

extreme hot or cold temperatures, including in respect of safety, asset integrity and shutting-in production. Ongoing military actions in the Middle East and between Russia and Ukraine and related sanctions have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of the actions between these nations remains uncertain. The foregoing list is not exhaustive. Please refer to Logan's AIF dated March 18, 2024 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.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Logan's guidance for 2024, including with respect to prospective results of operations, production and operating costs, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Logan's proposed business activities in the remainder of 2024. Logan and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Logan disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, exchange rates, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Logan's guidance. The Company's actual results may differ materially from these estimates.