LOGAN

ENERGY CORP.

ANNUAL FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Independent auditor's report

To the Shareholders of Logan Energy Corp.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Logan Energy Corp. (the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's financial statements comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of net income (loss) and comprehensive income (loss) for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flow for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in

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the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The impact of reserves on net development and production (D&P) assets *Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and note 8 – Property, plant and equipment to the financial statements.* The Company had $313 million of net D&P assets as at December 31, 2024. Depletion and depreciation expense for the D&P assets was $41 million for the year then ended. D&P assets are depleted using the unit-of-production method based on total production as a percentage of proved plus probable reserves. The assumptions used by management to determine the proved plus probable reserves of the Company's D&P assets include the production forecasts, production costs, forecast benchmark commodity prices, and the timing and amount of future development costs. The proved plus probable reserves are evaluated by an independent qualified reserves evaluator (management's expert). We considered this a key audit matter due to the significant judgment by management, including the use of a management's expert, when developing the proved plus probable reserves, and a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the assumptions used by management.	Our approach to addressing the matter included the following procedures, among others: • The work of management's expert was used in performing the procedures to evaluate the reasonableness of the proved plus probable reserves used to determine the depletion and depreciation expense. As a basis for using this work, the competence, capabilities and objectivity of management's expert were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also include evaluation of the methods and assumptions used by management's expert and an evaluation of the findings. Evaluating the assumptions used by management's expert in developing the underlying estimates also included assessing whether: – production forecasts, production costs and timing and amount of future development costs were reasonable by considering current and past performance of the D&P assets and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable; and – forecast benchmark commodity prices were reasonable by comparing them to third-party industry forecasts. • Recalculated the depletion factors used to calculate depletion and depreciation expense for the D&P assets.

Key audit matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment (PP&E) acquired in a business combination *Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and note 6 – Acquisitions to the financial statements.* On December 17, 2024, the Company closed an acquisition of an operated 50% working interest in certain crude oil and natural gas assets in the Simonette area of northwest Alberta. This transaction was accounted for under the acquisition method, which requires that the assets acquired and liabilities assumed be measured at their fair values at the acquisition date. The identifiable assets acquired included $59 million of PP&E. Management determined the fair value of the acquired PP&E based on a fair value less cost of disposal methodology, calculating the present value of the expected future after-tax cash flows derived from the acquired reserves. The assumptions and estimates used to determine the acquired reserves used to determine the fair value of the acquired PP&E require significant judgment by management and include production forecasts, production costs, forecast benchmark commodity prices, timing and amount of future development costs, and discount rate. The acquired reserves are prepared by management's expert. We considered this a key audit matter due to the significant judgment applied by management, including the use of a management's expert, when determining the fair value of the acquired PP&E, including development of assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the assumptions used by management. The audit effort	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the fair value of the acquired PP&E, which included the following: – Evaluated the appropriateness of the method used by management. – Tested the data used. – The work of management's expert was used in performing the procedures to evaluate the reasonableness of the acquired reserves used to determine the fair value of PP&E. As a basis for using this work, the competence, capabilities and objectivity of management's expert were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's expert, and an evaluation of the findings. – Evaluated the reasonableness of the assumptions by: ○ considering whether production forecasts, production costs, and timing and amount of future development costs were consistent with the actual performance of the acquired assets, and whether they were consistent with evidence obtained in other areas of the audit; ○ comparing forecast benchmark commodity prices to third-party industry forecasts; and ○ using professionals with specialized skill and knowledge in the field of

Key audit matter	How our audit addressed the key audit matter
involved the use of professionals with specialized skill and knowledge in the field of valuation.	valuation, who assisted us in assessing the reasonableness of the discount rate.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alexandra Arnell.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
March 19, 2025

LOGAN ENERGY CORP.
STATEMENTS OF FINANCIAL POSITION

(CA$ thousands)	[Note]	**December 31, 2024**	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		**324**	53,970
Accounts receivable	[4]	**13,081**	13,680
Prepaid expenses and deposits		**1,512**	1,522
Derivative financial instruments	[4]	**2,329**	-
Total current assets		**17,246**	69,172
Derivative financial instruments	[4]	**92**	-
Exploration and evaluation assets	[6,7]	**35,297**	16,335
Property, plant and equipment	[6,8]	**312,815**	149,131
Total assets		**365,450**	234,638
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	[4]	**41,429**	25,704
Derivative financial instruments	[4]	**576**	-
Provisions and other liabilities	[9]	**1,814**	1,835
Total current liabilities		**43,819**	27,539
Bank debt	[10]	**1,303**	-
Provisions and other liabilities	[9]	**39,765**	29,642
Deferred income tax liability	[12]	**5,206**	3,341
Total liabilities		**90,093**	60,522
SHAREHOLDERS' EQUITY			
Share capital	[11]	**254,596**	162,869
Warrants	[11]	**9,790**	9,790
Contributed surplus		**5,519**	560
Retained earnings		**5,452**	897
Total shareholders' equity		**275,357**	174,116
Total liabilities and shareholders' equity		**365,450**	234,638
Commitments and contingencies	[17]		
Subsequent events	[19]		

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

Approved on behalf of the Board of Directors:

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

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

		Year ended December 31	
(CA$ thousands, except per share amounts)	[Note]	**2024**	2023
Revenue			
Oil and gas sales	[13]	**110,536**	78,858
Royalties	[13]	**(9,628)**	(9,528)
Oil and gas sales, net of royalties		**100,908**	69,330
Processing and other		**3,333**	3,388
		104,241	72,718
Gain on derivative financial instruments	[4]	**3,529**	-
Expenses			
Operating		**37,916**	31,073
Transportation		**8,879**	8,069
General and administrative		**5,594**	5,796
Share based compensation	[11]	**4,959**	13,670
Financing	[14]	**893**	(978)
Exploration and evaluation	[7]	**213**	21,017
Depletion, depreciation and impairment	[8]	**41,546**	24,459
Transaction costs	[6]	**400**	43
Foreign exchange loss (gain)		**(28)**	7
		100,372	103,156
Net income (loss) before income taxes		**7,398**	(30,438)
Deferred income tax expense	[12]	**2,843**	3,361
Net income (loss) and comprehensive income (loss)		**4,555**	(33,799)
Net income (loss) per share			
Basic and diluted	[11]	**0.01**	(0.11)

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

LOGAN ENERGY CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(CA$ thousands)	[Note]	Share capital	Warrants	Contributed surplus	Net investment in Transferred Assets	Retained earnings	Total
Balance at December 31, 2023		**162,869**	**9,790**	**560**	**-**	**897**	**174,116**
Net income and comprehensive income		**-**	**-**	**-**	**-**	**4,555**	**4,555**
Common shares issued net of costs:							
Issued pursuant to private placements	[11]	**95,001**	**-**	**-**	**-**	**-**	**95,001**
Issue costs, net of deferred tax	[11]	**(3,274)**	**-**	**-**	**-**	**-**	**(3,274)**
Share based compensation expense	[11]	**-**	**-**	**4,959**	**-**	**-**	**4,959**
Balance at December 31, 2024		**254,596**	**9,790**	**5,519**	**-**	**5,452**	**275,357**
Balance at December 31, 2022		-	-	-	95,795	-	95,795
Net loss and comprehensive loss		-	-	-	(34,696)	897	(33,799)
Net distributions to Spartan	[5]	-	-	-	(3,799)	-	(3,799)
Common shares issued, net of costs:							
Issued pursuant to the Spin-Out	[5,11]	57,156	3,464	-	(60,620)	-	-
Issued to private placement	[11]	48,491	-	-	-	-	48,491
Issue costs, net of deferred tax	[11]	(69)	-	-	-	-	(69)
Warrants exercised	[11]	56,903	(3,076)	-	-	-	53,827
Warrants expired	[11]	388	(388)	-	-	-	-
Share based compensation expense	[11]	-	9,790	560	3,320	-	13,670
Balance at December 31, 2023		162,869	9,790	560	-	897	174,116

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

LOGAN ENERGY CORP.
STATEMENTS OF CASH FLOW

		Year ended December 31	
(CA$ thousands)	[Note]	**2024**	2023
Operating activities			
Net income (loss)		**4,555**	(33,799)
Items not affecting cash:			
Unrealized gain on derivatives	[4]	**(1,845)**	-
Unrealized foreign exchange loss (gain)		**(25)**	6
Share based compensation		**4,959**	13,670
Financing	[14]	**993**	935
Exploration and evaluation		**213**	21,017
Depletion, depreciation and impairment		**41,546**	24,459
Deferred income tax expense		**2,843**	3,361
Settlement of decommissioning obligations	[9]	**(720)**	(345)
Change in non-cash working capital	[15]	**(2,088)**	(5,350)
Cash provided by operating activities		**50,431**	23,954
Financing activities			
Net distributions to Spartan		**-**	(3,828)
Advances of bank debt, net of costs	[10]	**116,053**	-
Repayments of bank debt	[10]	**(114,750)**	-
Issue of common shares, net of costs	[11]	**90,749**	48,402
Proceeds on exercise of warrants	[11]	**-**	53,827
Lease payments	[9]	**(136)**	(147)
Change in non-cash working capital	[15]	**185**	-
Cash provided by financing activities		**92,101**	98,254
Investing activities			
Exploration and evaluation assets	[7]	**(33,259)**	(8,126)
Property, plant and equipment	[8]	**(117,984)**	(72,280)
Property acquisitions	[6]	**(60,597)**	(5,395)
Change in non-cash working capital	[15]	**15,643**	17,569
Cash used in investing activities		**(196,197)**	(68,232)
Net change in cash and cash equivalents		**(53,665)**	53,976
Foreign exchange on cash and cash equivalents		**19**	(6)
Cash and cash equivalents, beginning of year		**53,970**	-
Cash and cash equivalents, end of year		**324**	53,970

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

1. GENERAL INFORMATION

Logan Energy Corp. ("Logan" or the "Company") was incorporated under the *Business Corporations Act* (Alberta) on March 10, 2023 as "2499938 Alberta Ltd.". Articles of Amendment were filed to change its name to "Logan Energy Corp." on March 22, 2023. The Company is engaged in the business of exploration, development and production of crude oil and natural gas properties and assets, focused in the Montney resource trend in the areas of Simonette and Pouce Coupe in northwest Alberta and in the Flatrock area of northeastern British Columbia. The Company has also recently established a position within the greater Kaybob Duverney oil play with assets in the North Simonette, Ante Creek and Two Creeks areas. Logan's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "LGN". The Company's head office is located at 1800, 736 – 6th Avenue S.W., Calgary, Alberta T2P 3T7 and its registered office address is 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

On June 20, 2023, Logan commenced active operations as a new growth-oriented exploration, development and production company formed through the spin-out of the early stage Montney assets of Spartan Delta Corp. ("Spartan"). Pursuant to an asset conveyance agreement between Logan and Spartan dated June 20, 2023, Spartan transferred certain oil and natural gas assets (the "Transferred Assets") to Logan in exchange for one common share of Logan (a "Logan Share") and one common share purchase warrant of Logan (a "Transaction Warrant") for each common share of Spartan held (the "Spin-Out").

2. BASIS OF PREPARATION

a) Statement of compliance

These annual financial statements as at December 31, 2024 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The Company's Board of Directors approved these Financial Statements on March 19, 2025.

b) Basis of measurement

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

Since the shareholders of Logan and Spartan were the same both before and after the conveyance of the Transferred Assets (at the time Logan was a wholly owned subsidiary of Spartan), the Spin-Out was deemed to be a common control transaction. The Financial Statements have been prepared on a historical cost basis, including the results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a carve-out basis as if they had operated as a stand alone entity subject to Spartan's control ("carve-out financial statements"). The financial position, results of operations and cash flows from the date of incorporation on March 10, 2023 to June 20, 2023 include both the Transferred Assets and Logan on a combined basis. From June 20, 2023 forward, the financial position, results of operations and cash flows reflect the actual historical results of Logan after conveyance of the Transferred Assets upon close of the Spin-Out. The Transferred Assets were recognized at their net carrying value according to the historical financial records of Spartan.

These carve-out financial statements have been prepared by management in accordance with IFRS Accounting Standards and the basis of preparation for amounts attributable to the Transferred Assets is described as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Significant estimates and judgements

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

i. Carve-out financial statements

The Financial Statements present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a carve-out basis as if they had operated as a stand-alone entity subject to Spartan's control. Judgements are 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.

ii. Business combinations

The application of the Company's accounting policy for business combinations requires management to make certain judgments under IFRS 3 *Business Combinations* ("IFRS 3"), to determine whether the acquired assets meet the definition of a business combination or an asset acquisition. Where an acquisition involves a group of assets and liabilities, and does not constitute a business, the acquirer must identify and recognize the individual assets acquired and liabilities assumed. The cost of the transaction is allocated to the assets acquired and liabilities assumed based on their relative fair values at the date of purchase.

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value is estimated based on information available at the date of acquisition and requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of E&E assets and PP&E acquired generally require the most judgement and include land evaluations, total reserves acquired and discount rate. Reserve estimates are based on production forecasts, production costs, forecast benchmark commodity prices, and timing and amounts of future development costs. Assumptions are also required to determine the fair value of decommissioning obligations associated with the properties. Initial recognition of the fair value of deferred tax liabilities or assessment of probability to recognize deferred tax assets requires judgment. Changes in any of these assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill (or gain on acquisition resulting from a bargain purchase) in the acquisition equation. Future net income (loss) will be affected as the fair value on initial recognition impacts future depletion and depreciation expenses, as well as the risk of potential impairment in future periods.

Refer to note 6 for details of the specific assumptions applied during the year ended December 31, 2024.

iii. Crude oil and natural gas reserves

The process of determining reserves is complex. Significant judgements are based on available geological, geophysical, engineering, and economic data. These judgements are based on estimates and assumptions that may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates are based on production forecasts, production costs, forecast benchmark commodity prices and the timing and amount of future development costs. As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and government regulations.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation can be impacted by subjective decisions, new geological or production information and a changing environment. In addition, revisions to reserve estimates can arise from changes in forecast oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

Changes in reserve estimates impact the financial results of the Company as reserves and estimated future development capital ("FDC") are used to calculate depletion. Reserves are used in measuring the fair value less costs of disposal ("FVLCD") of PP&E for impairment calculations. Reserves also impact the Company's assessment of the commercial viability and technical feasibility of an exploration project and the decision to transfer E&E assets to PP&E.

Logan's reserves were evaluated in a report prepared by an independent qualified reserves evaluator as at December 31, 2024 and December 31, 2023 in accordance with the Canadian Oil and Gas Evaluation Handbook.

iv. Depletion of crude oil and natural gas assets

The Company calculates a depletion factor based on total production as a percentage of proved plus probable reserves. The depletion factor is applied to the total depletable base determined as the net book value of the assets and the total estimated FDC expenditures for each depletion unit. Estimates for reserves and FDCs can have a significant impact on net earnings, as they are key components in the depletion calculation.

v. Exploration and evaluation assets

The accounting for E&E assets requires management to make judgements as to whether E&E activities have discovered a sufficient amount of economically recoverable reserves, which requires the quantity and realizable value of such crude oil and natural gas products to be estimated.

E&E assets remain capitalized as long as sufficient progress is being made in assessing whether the recovery of the crude oil and natural gas products is technically feasible and commercially viable. E&E assets are subject to ongoing management review to confirm the continued intent to establish the technical feasibility and commercial viability of the discovery. In making this assessment management considers availability of capital resources and intention to finance future development, changes to project economics, expected capital expenditures and production costs, results of other operators in the region and access to infrastructure and potential infrastructure expansions. Refer to note 7 for discussion of assumptions for the impairment of E&E recorded as at March 31, 2023. Impairments of E&E assets are not assessed for reversal.

The carrying value of Logan's E&E assets is assessed for overall impairment at the operating segment level and on a specific identification basis prior to transferring E&E assets to PP&E.

vi. Determination of cash generating units ("CGUs")

The determination of CGUs requires judgement in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

Logan has two CGUs, namely: "Alberta", comprised primarily of the Company's Simonette and Pouce Coupe assets located in northwest Alberta; and "British Columbia", comprised primarily of the Company's Flatrock assets as well as minor properties located in northeastern British Columbia.

vii. Recoverability of asset carrying values

Management applies judgement in assessing indicators of impairment and reversal of impairment based on various internal and external factors. The recoverable amount of a CGU or of an individual asset is determined as the greater

of its FVLCD or value in use ("VIU"). The key estimates in management's determination of recoverable amounts includes future commodity prices, expected production volumes, quantity of proved plus probable crude oil and natural gas reserves, future development and operating costs, discount rates, and income taxes. The evolving global demand to transition from carbon-based sources to alternative energy sources may also impact the assumptions used in determination of recoverable amounts, however, the timing of this impact is highly uncertain.

Management concluded there were no indicators of impairment as at December 31, 2024. Refer to note 8 for discussion regarding the reversal of impairment of PP&E recorded as at December 31, 2023 and impairment of PP&E recorded as at March 31, 2023.

viii. Decommissioning obligations

Logan estimates abandonment and reclamation costs based on a combination of publicly available industry information and internal site-specific information. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, market conditions, discovery and analysis of site conditions and emergence of new restoration techniques. The expected timing of abandonment and reclamation is also subject to change and impacts inflated future cost estimates and the estimated carrying amount (present value) of decommissioning obligations. Refer to note 9 for details of the specific assumptions applied and changes in estimates during the year ended December 31, 2024.

ix. Fair value of financial instruments

The estimated fair value of derivative financial instruments is reliant upon several variables and may include forward curves for commodity prices, foreign exchange rates, or other variables depending on the nature of the underlying contract. A change in any one of these variables could materially impact the valuation of the instrument on the balance sheet date. Furthermore, as these instruments are "marked-to-market" at the end of each reporting period, unrealized gains or losses can result in volatility or net income or loss. A sensitivity of the potential change in fair value of Logan's outstanding derivative financial instruments as at December 31, 2024 is provided in note 4.

x. Valuation of warrants

The fair value of warrants is estimated using the Black-Scholes option pricing model. The model requires that management make assumptions for the following: the expected life or period in which the warrants will be held prior to exercise; the anticipated volatility of the share price over the expected life; the risk-free interest rate for the life of the warrant; and the number of warrants that will ultimately vest. The fair value allocated to warrants is highly sensitive to these assumptions. Refer to note 11 for details of the specific assumptions applied during the previous year ended December 31, 2023.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are set out below.

a) Financial instruments

Classification and measurement of financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized on the Statements of Financial Position at the time the Company becomes a party to the contractual provisions. The Company's financial assets and financial liabilities are classified into two categories: Amortized Cost and Fair Value through Profit and Loss ("FVTPL"). The classification of financial assets is determined by their context in Logan's business model and by the characteristics of the financial asset's contractual cash flows.

Financial assets and financial liabilities are measured at fair value on initial recognition. Subsequent measurement is dependent on the financial instrument's classification.

Amortized Cost

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, lease liabilities and bank debt are measured at amortized cost. The contractual cash flows received from financial assets are payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. Financial assets and liabilities classified as amortized cost are subsequently measured at amortized cost using the effective interest rate method.

FVTPL

Financial assets and liabilities that do not meet the criteria for amortized cost are measured at fair value with changes in fair value immediately recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in its principal or most advantageous market at the measurement date. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company maximizes the use of observable inputs when preparing calculations of fair value, where possible.

The fair value hierarchy has the following levels:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement within the fair value hierarchy.

Impairment of financial assets

An impairment of financial assets is recognized using an Expected Credit Loss ("ECL") model. Accounts receivable are due within one year or less; therefore, these financial assets are not considered to have a significant financing component and a lifetime ECL is measured at the date of initial recognition of the accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and days past due.

The Company uses judgement in making these assumptions and selecting the inputs into the expected loss calculation based on historically realized bad debts, evidence of a debtor's present financial condition, existing market conditions and forward-looking estimates. The ECL is assessed at initial recognition and this provision is re-assessed at each reporting date. ECLs are a probability-weighted estimate of possible default events related to the financial asset and are measured as the difference between the present value of the cash flows due to the Company and the cash flows expected to be received.

b) Exploration and Evaluation Assets and Property, Plant and Equipment

Exploration and evaluation expenditures

E&E costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. E&E costs may include costs of license acquisition, technical services and studies, seismic acquisition, exploration drilling and testing. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to profit or loss as exploration expense in the period incurred. The Company did not incur pre-license costs in the current or prior period.

When a project classified as E&E is determined to be commercially viable and technically feasible and reserves have been assigned, the relevant costs are transferred from E&E to PP&E. E&E costs for which the underlying mineral lease or other asset has expired, or is expected to expire prior to development, are expensed to profit or loss.

E&E assets are assessed for impairment upon transfer to PP&E or when facts and circumstances suggest that the carrying amount may exceed the estimated recoverable amount. If it has been determined there has been an impairment, the impairment will be charged to the Statements of Net Income (Loss) and Comprehensive Income (Loss) in the period incurred. Impairments of E&E assets are not assessed for reversal.

Non-producing assets classified as E&E are not depleted.

Development and Production ("D&P") Assets

All costs directly associated with the development of crude oil and natural gas reserves are capitalized to their respective depletable area. These costs may include certain overhead charges including cash and share based compensation paid to personnel dedicated to capitalized projects. Overhead charges are capitalized to PP&E using a specific identification methodology.

Development costs include expenditures for CGUs where technical feasibility and commercial viability has been determined. These costs include proved property acquisitions, development drilling, completion, gathering and infrastructure, decommissioning liabilities and transfers of E&E assets.

Costs incurred subsequent to the determination of technical feasibility and commercial viability are recognized as oil and natural gas interests only when they increase the future economic benefits of the specific asset to which they relate. All other expenditures are recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss) as incurred.

Gains and losses on disposal of an item of PP&E, including oil and natural gas assets, are determined by comparing the proceeds from disposal with the carrying amount of the PP&E and are recognized net within the gain on sale of assets in the Statements of Net Income (Loss) and Comprehensive Income (Loss).

Depletion of D&P assets

D&P assets are depleted using a unit-of-production method based on:

- Total estimated proved plus probable reserves calculated in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101");
- Total capitalized costs including estimated FDC of proved plus probable reserves; and
- Production volumes, before royalties, converted at the energy equivalent conversion ratio of six thousand cubic feet of natural gas to one barrel of oil.

PP&E other than D&P assets

PP&E other than D&P assets are stated at cost, less accumulated depreciation and historical impairments. Depreciation is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life.

Impairment

An impairment test will be performed whenever events and circumstances indicate that the carrying value of the asset or CGU may exceed the estimated recoverable amount. The recoverable amount is the higher of the FVLCD and the VIU. In assessing the FVLCD for oil and natural gas assets, the estimated future net cash flows associated with the CGUs are used based on management's best estimate of reserves. If there is indication of an impairment, the costs carried on the Statements of Financial Position in excess of the recoverable amount are charged to the Statements of Net Income (Loss) and Comprehensive Income (Loss).

Impairment losses from prior periods are assessed at each reporting date for indications that the impairment loss no longer exists or has decreased. Impairment losses are reversed if there is a change in the estimates used to determine the recoverable amount which causes the recoverable amount to exceed the carrying amount. Reversal of impairment losses cannot exceed the carrying value of the asset prior to impairment less any depletion and depreciation expense that would have resulted had impairment not been recorded.

c) Joint operations

A portion of the Company's exploration, development and production activities is conducted jointly with others through unincorporated joint ventures. These Financial Statements reflect only the Company's proportionate interest of these jointly controlled assets and the proportionate share of the relevant revenue and related costs.

d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, the lease liability is recognized at the present value of the future lease payments, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate. A corresponding ROU asset will be recognized at the amount of the lease liability, adjusted for any lease incentives received and initial direct costs incurred. Over the term of the lease, financing expense is recognized on the lease liability using the effective interest rate method and charged to net income, lease payments are applied against the lease liability and depreciation on the ROU asset is recorded by class of underlying asset.

The lease term is the non-cancellable period of a lease and includes periods covered by an optional lease extension option if reasonably certain the Company will exercise the option to extend. Conversely, periods covered by an option to terminate are included if the Company does not expect to end the lease during that time frame. Leases with a term of less than twelve months or leases for underlying low value assets are recognized as an expense in net income on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if it materially changes the scope of the lease. For a modification that is not a separate lease, on the effective date of the lease modification, the Company will remeasure the lease liability and corresponding ROU asset using the interest rate implicit in the lease or the Company's incremental borrowing rate. Any variance between the remeasured ROU asset and lease liability will be recognized as a gain or loss in net income to reflect the change in scope.

The Company may enter into transactions involving the sale of an asset, followed by an immediate lease arrangement for the same asset. On disposition, the Company derecognizes the underlying asset and recognizes a lease liability and corresponding ROU asset, with a gain or loss recognized on the sale if applicable. The initial measurement of the ROU asset is determined in reference to the retained interest in the previous carrying amount of the asset transferred

to the purchaser. The initial measurement of the lease liability is recorded at the present value of the future lease payments taking into considering variable lease payments, such as payments depending on a rate or index, discounted using the Company's incremental borrowing rate. For leases with payments dependent on a commodity based index, the present value of the lease is recalculated at the end of each reporting period based on the commodity based index at that point in time, with the offset recorded to the ROU asset.

e) Decommissioning obligations

Provisions for decommissioning obligations are recognized when the Company has an obligation to dismantle and remove a facility or abandon a well and restore the site on which it is located. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements using a risk-free rate. An equivalent amount is capitalized as part of the cost of the related asset. On a periodic basis, management reviews these estimates and changes, if any, are applied prospectively. These changes are recognized as an increase or decrease to the liability, with a corresponding increase or decrease to the carrying amount of the related asset.

The capitalized amount in PP&E is depreciated on a unit-of-production basis over the life of the associated proved plus probable reserves. The long-term liability is increased each reporting period with the passage of time and the associated accretion charged is recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss).

Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision.

f) Revenue recognition

Logan generates revenue primarily from the sale of crude oil, natural gas, and natural gas liquids ("NGLs"). Revenue is recognized at the point in time when control of the product has been transferred to the customer and performance obligations have been satisfied. This is generally met when the customer obtains legal title to the product and physical delivery at a delivery point has taken place. Should the Company receive payment in advance of meeting performance obligations, payments received are proportionately recognized as a deferred obligation until such performance obligations are satisfied. Revenue is measured based on the consideration specified in the contracts the Company has with its customers. The transaction price under the contracts is based on the commodity price, adjusted for quality, location, or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms.

Logan evaluates its arrangements with third parties and partners to determine if the Company acts as a principal or as an agent. In making this evaluation, management considers if Logan obtains control of the product delivered, which is indicated by Logan having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If Logan acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net basis, only reflecting the fee, if any, realized by the Company from the transaction.

Processing fees charged to other entities for use of pipelines and facilities owned by the Company are evaluated by management to determine if these originate from contracts with customers or from incidental or collaborative arrangements. Processing fees charged to other entities under contracts with customers are recognized in revenue when the related services are provided.

g) Transportation

Costs paid by Logan for the transportation of crude oil, natural gas and NGLs to the point of control transfer are recognized when the transportation is provided.

h) Business combinations

Business combinations are accounted for using the acquisition method under IFRS 3. Management's determination of whether a transaction constitutes a business combination or an asset acquisition is determined based on the criteria in IFRS 3. The identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. The decommissioning obligations associated with the acquired property is subsequently re-measured at the end of the reporting period using a risk free discount rate, with any changes recognized in the decommissioning liabilities and PP&E on the Statements of Financial Position. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the acquisition date. The excess of the acquisition cost over the fair value of the identifiable net assets acquired is recognized as goodwill. If the cost of the acquisition is less than the fair value of the net identifiable assets acquired, a gain on business combination is recognized immediately in net income or loss. Any deferred tax asset or liability arising from the business combination is recognized at the acquisition date. Transaction costs associated with a business combination are expensed as incurred. Results of acquisitions are included in the Financial Statements from the closing date of acquisition.

i) Taxation

The provision for (recovery of) income tax is comprised of current and deferred income taxes and is recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss), except to the extent that it relates to a business combination or items recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The liability is measured based on an assessment of possible outcomes and their associated probabilities.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j) Share based compensation

The Company’s share based compensation plan allows for the granting of equity-settled awards in connection with the Company’s stock option plan, restricted share awards (“RSA”) and performance share awards (“PSA”) to directors, officers, employees and consultants of the Company in connection with the Company’s share award incentive plan. Details regarding the share award incentive plan are provided in note 11(e). The share award incentive plan allows the holder of an RSA or PSA to receive a cash payment or its equivalent in fully-paid common shares, at the Company’s discretion, equal to the fair market value of the Company’s common shares calculated at the date of such payment. Logan does not intend to make cash payments under the plan and, as such, the RSAs and PSAs are accounted for within shareholders’ equity as equity-settled awards.

Equity-settled share based compensation is measured at the fair value of the equity instruments at the grant date and is estimated using a Black-Scholes model that takes into account, as of the grant date, the exercise price, expected life, current price, expected volatility and risk-free interest rates. The fair value determined at the grant date is expensed over the vesting period with a corresponding increase in contributed surplus.

A forfeiture rate is estimated on the grant date. The forfeiture rate is reviewed each reporting period and adjusted to reflect the actual number of awards expected to vest. The impact of the revision in estimate, if any, is recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss) such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Any consideration paid to the Company on the exercise is credited to share capital.

The Company may issue warrants in conjunction with financings. The fair value of the warrants issued is estimated using a Black-Scholes model and is recorded as an expense if the issuance is determined to be a share based payment in accordance with IFRS 2. Any consideration paid to the Company on the exercise of warrants along with the fair value of warrants is credited to share capital.

k) Net income (loss) per share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. For the diluted net income per share calculation, the weighted average number of common shares outstanding is adjusted for the potential number of common shares which may have a dilutive effect on net income per share. The Company uses the treasury stock method to determine the impact of dilutive securities. Under this method, only "in-the-money" dilutive instruments impact the calculation of diluted net income per share. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price.

For purposes of calculating net loss per share, the Company uses the basic weighted average common shares outstanding because the incremental impact of dilutive securities is antidilutive to the net loss.

l) New accounting policies

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 *Presentation of Financial Statements* ("IAS 1") to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. Furthermore, in October 2022, the IASB issued amendments to IAS 1 which specify the classification and disclosure of a liability with covenants. The Company adopted the amendments on the effective date of January 1, 2024 and there was no impact to the Financial Statements upon initial adoption.

m) Future accounting pronouncements

On April 9, 2024, the IASB issued a new standard IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which will replace IAS 1. While many of the existing principles of IAS 1 are retained with limited changes, IFRS 18 introduces changes to the presentation of, and disclosure requirements related to, the Statement of Net Income (Loss) and Comprehensive Income (Loss). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Logan is currently assessing the impact of adopting of IFRS 18, which will be adopted on its effective date.

Additionally, in May 2024 the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026 and Logan is still assessing the full impact of this amendment.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2024 and December 31, 2023, the financial instruments of the Company include cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, derivative financial instruments and bank debt. The fair values of these financial assets and liabilities approximate their carrying value due to the short term to maturity of those instruments. Additionally, the fair value of bank debt approximates its carrying value given it bears floating rates of interest (note 10). Lease liabilities are financial liabilities measured at amortized cost.

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

Risk Management Overview

Logan's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. The Company utilizes derivative financial instruments to manage market risks. All such transactions are conducted within risk management tolerances that are reviewed by the Board of Directors and limits established under the Company's bank credit facilities (note 10). The credit facilities permit derivative financial contracts provided that: (i) the contracts are not entered into for solely speculative purposes; (ii) the aggregate quantity hedged, at the time of entering into the contract, does not exceed 75% of future forecasted average daily production by commodity type; and (iii) the contracted term does not exceed 36 months.

a) Credit Risk

As at December 31, 2024, the carrying amount of cash and cash equivalents, accounts receivable, deposits and derivative financial instruments receivable represents the Company's maximum credit exposure. Cash and cash equivalents are held on deposit with a Canadian Chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers, the counterparty to derivative financial contracts and joint venture partners. The composition of the Company's accounts receivable is set out in the following table:

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Oil and gas marketers	**9,312**	11,985
Joint venture partners	**1,749**	357
GST input tax credits	**853**	1,074
Settlements on derivative financial instruments	**115**	-
Other receivables	**1,052**	264
Accounts receivable	**13,081**	13,680

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

(CA$ thousands)	Current	30-60 days	60-90 days	Over 90 days	Total
Balance at December 31, 2024	**12,383**	**303**	**380**	**15**	**13,081**
Balance at December 31, 2023	13,480	71	4	125	13,680

During the year ended December 31, 2024, sales to three oil and gas marketers represented more than 10% of revenue. Sales to these marketers account for approximately 67% of total oil and gas sales revenue (before royalties) in the year ended December 31, 2024. During the previous year ended December 31, 2023, sales to three marketers accounted for approximately 84% of total oil and gas sales revenue (before royalties).

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty,

as well as the nature of the past due amount. Management has reviewed past due accounts receivable balances as at December 31, 2024 and expects the accounts to be collectible, with exception to approximately $0.1 million of accounts receivable provided for in the expected credit loss provision as at December 31, 2024 (nominal at December 31, 2023).

b) Liquidity Risks

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at December 31, 2024, Logan's financial liabilities include accounts payable and accrued liabilities, derivative financial instruments, lease liabilities and bank debt.

Logan's existing capital resources, including undrawn capacity under its bank credit facilities (note 10), 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 December 31, 2024:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	41,429	-	-	-	41,429
Derivative financial instrument liabilities	576	-	-	-	576
Credit Facilities [(1)] (note 10)	704	2,267	-	-	2,971
Undiscounted lease liabilities (note 9)	15	-	-	-	15
Total	42,724	2,267	-	-	44,991

(1) Includes interest and standby fees at annual rates of 7.2% and 0.7%, respectively, being the applicable rates on the Revolving Credit Facility (defined in note 10) as at December 31, 2024. For purposes of the above table, principal repayment is assumed on the October 3, 2026 term maturity date of the Revolving Credit Facility, however, the Company currently expects the Revolving Credit Facility to be extended at the end of the current revolving period. There is no guarantee that the Revolving Credit Facility will be extended or renewed by the lender with the same borrowing rate.

c) Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company's cash flows, net income or fair value of financial instruments. Logan's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

The Company may utilize derivative financial instruments and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company's risk management policies.

Commodity price risk

Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar.

Due to the capital-intensive nature of the Company's growth plan, Logan utilizes commodity price risk management contracts to reduce volatility of cash flows and protect project economics. These instruments are not used for trading or speculative purposes.

The following table summarizes commodity price risk management contracts outstanding as at December 31, 2024. Refer to note 19 "Subsequent Events" for details of new contracts entered after the reporting period.

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
Crude oil – swap	750 bbls/d	WTI	US$71.60 per barrel	January 1 to March 31, 2025
Crude oil – swap	1,250 bbls/d	WTI	US$70.84 per barrel	April 1 to June 30, 2025
Crude oil – swap	1,000 bbls/d	WTI	US$70.46 per barrel	July 1 to September 30, 2025
Crude oil – swap	500 bbls/d	WTI	US$70.00 per barrel	October 1 to December 31, 2025
Crude oil – swap	500 bbls/d	WTI	CA$102.05 per barrel	January 1 to December 31, 2025
Crude oil – short call	500 bbls/d	WTI	CA$102.05 per barrel	January 1 to December 31, 2025
Natural gas – swap	5,000 GJ/d	AECO	CA$2.50 per GJ	January 1 to March 31, 2025
Natural gas - swap	15,000 GJ/d	AECO	CA$2.23 per GJ	April 1 to October 31, 2025
Natural gas – swap	15,000 GJ/d	AECO	CA$3.15 per GJ	November 1, 2025 to March 31, 2026

Derivative financial instruments are recorded at fair value in the Statements of Financial Position. The fair value of contracts outstanding as at December 31, 2024, resulted in a derivative financial instrument asset of $1.9 million related to the natural gas contracts and a net $0.1 million liability related to the crude oil contracts, for a total net asset of $1.8 million. As at December 31, 2023, there were no derivative financial instrument assets or liabilities outstanding.

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 December 31, 2024:

(CA$ thousands)	Change in price	Positive movement	Negative movement
WTI	+/- CA$5.00 per barrel	(2,936)	2,509
AECO	+/- CA$0.25 per GJ	(1,481)	1,481

Foreign exchange risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. Logan is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. In addition, Logan is exposed to currency risk on U.S. working capital, however, the Company's exposure based on U.S. dollar denominated working capital balances outstanding at December 31, 2024 and December 31, 2023 was nominal. As at December 31, 2024, the Company did not have any foreign exchange risk management contracts in place. Subsequent to year end, Logan entered into a foreign exchange collar for a notional US$1.5 million per month from February to December 2025, with a CA$/US$ floor of $1.410 and ceiling of $1.448 (note 19).

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is primarily exposed to interest rate risk on bank debt which bears floating rates of interest. Under the credit facilities (note 10), interest rates fluctuate based on the bank prime rate plus an applicable margin. Based on the balance of bank debt outstanding of $2.2 million at December 31, 2024, a change in the market rate of interest by 50 basis points would not have a significant impact on annualized interest expense. The Company does not currently have any interest rate risk management contracts in place.

Gains and losses on derivative financial instruments

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

	Year ended December 31	
(CA$ thousands)	**2024**	2023
Realized gain	**1,684**	-
Unrealized gain	**1,845**	-
Gain on derivative financial instruments	**3,529**	-

Offsetting of financial instruments

Financial assets and liabilities are only offset in the Statements of Financial Position if the Company has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. Logan offsets derivative financial instrument assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same.

(CA$ thousands)	Carrying Value ("CV")		
Balance as at December 31, 2024	Gross	Netting	Net CV
Financial assets			
Derivative financial instruments	**2,464**	**(43)**	**2,421**
Financial liabilities			
Derivative financial instruments	**(1,061)**	**485**	**(576)**

5. COMMON CONTROL TRANSACTION

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

Since the shareholders of Logan and Spartan were the same both before and after the conveyance of the Transferred Assets (at the time Logan was a wholly owned subsidiary of Spartan), this transaction was deemed to be a common control transaction. Under a common control transaction, the assets and liabilities assumed by Logan, including accounts receivable, PP&E, E&E, ROU assets, accounts payable and accrued liabilities, decommissioning obligations and lease liabilities, are recognized at the carrying amount of the Transferred Assets based on the financial records of Spartan. In aggregate, 173.2 million Logan Shares and 173.2 million Transaction Warrants were issued to Spartan in consideration for the Transferred Assets, representing the fair market value thereof, in the aggregate amount of approximately $60.6 million.

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

Net Investment in Transferred Assets

These Financial Statements reflect Spartan's net investment in the operations of the Transferred Assets for the period during which there was no direct ownership by shareholders in the Transferred Assets. The net investment in the Transferred Assets is comprised of accumulated net income of the operations and the accumulated net contributions

from and distributions to Spartan up to June 20, 2023, the date of the common control transaction as described in note 2 of these Financial Statements.

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

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

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

6. ACQUISITIONS

On December 17, 2024, Logan closed the acquisition of an operated 50% working interest in certain crude oil and natural gas assets located in the Simonette area of northwest Alberta, primarily targeting the Montney, and 100% of the vendor's interest in certain Simonette gross overriding royalties ("GORR") for total cash consideration of $60.2 million after estimated closing adjustments (the "Acquisition"). The acquisition of the GORR will reduce future royalty expenses going-forward, as the GORR acquired was on the Company's existing Simonette lands. Adjustments to the purchase price of $52.0 million were approximately $8.2 million between the effective date of September 1, 2024 and closing.

Logan assessed the property acquisition and determined it to constitute a business combination in accordance with IFRS 3. The table below summarizes the estimated fair value of the identifiable assets acquired and liabilities assumed on the closing date:

(CA$ thousands)	**December 17, 2024**
Purchase price	52,000
Estimated closing adjustments [(1)]	8,247
Cash consideration, after closing adjustments	**60,247**
Exploration and evaluation assets	5,860
Property, plant and equipment	58,971
Decommissioning obligations	(1,984)
Deferred capital obligation [(2)]	(2,600)
Fair value of net assets acquired [(1)]	**60,247**

(1) The fair values of identifiable assets and liabilities acquired are based on management's best estimates based on information available at the time of preparing these Financial Statements. The reader is cautioned that future revisions to these estimates over the measurement period (one year from the closing date of the acquisition) could result in a change from the amounts reported herein.

(2) Logan agreed to carry 100% of the capital costs to drill the first joint well on the acquired acreage. The cost to carry the vendor's working interest is estimated to be $2.6 million, of which Logan had incurred $1.9 million as of December 31, 2024 (recorded within accounts payable and accrued liabilities).

The fair value of PP&E acquired was estimated based on FVLCD methodology (Level 3 fair value measurement), calculated using the present value of the expected future cash flows after-tax. The projected cash flows used in the FVLCD calculated were derived from a report on Logan's oil and gas reserves prepared by McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserve evaluator, as of December 31, 2024 (the "2024 McDaniel Report"). The cash flows estimates from the 2024 McDaniel Report were internally updated by Logan to adjust for the 15 days between close and December 31, 2024. The fair value of PP&E is highly sensitive to the discount rate used in the FVLCD calculation. Holding all other assumptions constant, if the discount rate increased by 1% (or decreased by 1%) the fair value of PP&E would decrease by $3.3 million (increase by $3.6 million).

The undiscounted amount of decommissioning obligations acquired pursuant to the Acquisition is estimated to be approximately $5.3 million ($7.6 million inflated at 2.0%). The fair value of decommissioning obligations acquired of $2.0 million was estimated by discounting the inflated cost estimates using a "credit-adjusted risk-free rate" of 10.4% on the closing date. The obligations acquired were subsequently remeasured using a "risk-free rate". Remeasurement of the decommissioning obligations acquired at a risk free rate of 3.3% on December 17, 2024, resulted in an increase to the present value of decommissioning obligations acquired by $2.4 million and a corresponding increase recorded directly to PP&E.

The Statement of Net Income (Loss) and Comprehensive Income (Loss) for the year ended December 31, 2024 includes the results of operations for the Acquisition starting from the closing date. Specifically, Logan's net income for the year ended includes $0.3 million of revenue (after royalties) and $0.2 million of operating income generated from the Acquisition for the period from December 17, 2024 to December 31, 2024. "Operating income" does not have a standardized meaning under IFRS Accounting Standards. For purposes of this pro-forma disclosure, the Company has calculated operating income as revenue (after royalties), less operating and transportation expenses. If the Acquisition had occurred on January 1, 2024, pro-forma revenue and operating income is estimated to be approximately $9.0 million and $5.4 million, respectively, for the year ended December 31, 2024. This pro-forma information is not necessarily indicative of the results of operations that would have resulted had the Acquisition been effected on the date indicated, or the results that may be obtained in the future.

Other Acquisitions

Logan completed other minor property acquisitions during the year ended December 31, 2024, for aggregate cash consideration of $0.4 million. The consideration was allocated $0.2 million to PP&E, $0.3 million to E&E assets and $0.1 million to decommissioning obligations.

7. EXPLORATION AND EVALUATION ASSETS

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

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Balance, beginning of year	**16,335**	26,674
Additions	**33,259**	8,126
Acquisitions (note 6)	**6,142**	2,848
Transfers to PP&E (note 7)	**(20,226)**	(296)
Expired mineral leases	**(213)**	-
Impairment [(1)]	**-**	(21,017)
Balance, end of year	**35,297**	16,335

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

Logan assessed its E&E assets for potential impairment prior to transferring costs to PP&E and as at December 31, 2024 and at December 31, 2023, concluding there are no indicators of impairment.

As at March 31, 2023, an impairment loss of $21.0 million on E&E assets was recognized based on Spartan's historical records for the Transferred Assets. Spartan recognized an impairment loss on the Simonette and Pouce Coupe E&E assets as these assets were not a development focus of Spartan, with no capital allocated to develop these E&E assets beyond the values captured in the 2022 McDaniel Report (defined in note 8). The estimated fair value was based on an independent third party land valuation of $5.7 million for the undeveloped Flatrock property. At December 31, 2024 and December 31, 2023, there were no indicators of impairment relating to the E&E assets.

8. PROPERTY, PLANT AND EQUIPMENT

The Company's PP&E primarily includes development and production ("D&P") assets and right-of-use ("ROU") assets. The following tables reconcile the movements in the cost and accumulated depletion, depreciation and impairment ("DD&I") during the years:

PP&E, at cost *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2022	129,948	414	130,362
Additions	72,339	46	72,385
Acquisitions (1)	2,643	-	2,643
Changes in decommissioning cost (note 9)	1,795	-	1,795
Transfers from E&E (note 7)	296	-	296
Balance at December 31, 2023	**207,021**	**460**	**207,481**
Additions	**117,984**	**-**	**117,984**
Acquisitions (note 6)	**59,170**	**-**	**59,170**
Dispositions (2)	**-**	**(408)**	**(408)**
Changes in decommissioning cost (note 9)	**5,452**	**-**	**5,452**
Decommissioning discount rate adjustment (note 9)	**2,398**	**-**	**2,398**
Transfers from E&E (note 7)	**20,226**	**-**	**20,226**
Balance at December 31, 2024	**412,251**	**52**	**412,303**

Accumulated DD&I *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2022	33,718	173	33,891
Depletion and depreciation	25,193	148	25,341
Impairment	7,566	-	7,566
Reversal of impairment	(8,448)	-	(8,448)
Balance at December 31, 2023	**58,029**	**321**	**58,350**
Depletion and depreciation	**41,419**	**127**	**41,546**
Dispositions (2)	**-**	**(408)**	**(408)**
Balance at December 31, 2024	**99,448**	**40**	**99,488**

Net carrying value	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2023	148,992	139	149,131
Balance at December 31, 2024	**312,803**	**12**	**312,815**

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

(2) Dispositions relates to ROU assets under leases that expired in the year ended December 31, 2024.

Future development capital expenditures required to develop total proved plus probable reserves in the amount of $1.1 billion are included in the depletion calculation for development & production assets for the three months ended December 31, 2024 ($771.7 million at December 31, 2023).

Logan assessed each of its CGUs for indicators of potential impairment and concluded there are no indicators of impairment as at December 31, 2024. All historical impairments of PP&E were reversed as of the previous year ended December 31, 2023.

Impairment Reversal of PP&E – December 31, 2023

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

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

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

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

Selected Benchmark Price Forecasts

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

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

Impairment of PP&E – March 31, 2023

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

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

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

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

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

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

Selected Benchmark Price Forecasts

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

(1) Prices are for the period of April 1, 2023 to December 31, 2023.
(2) Prices escalate at 2.0% thereafter; exchange rate is held constant at $0.763 US$/CA$ thereafter.

9. PROVISIONS AND OTHER LIABILITIES

Provisions and other liabilities are comprised of the Company's lease liabilities and decommissioning obligations:

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Lease liabilities	**14**	150
Decommissioning obligations	**41,565**	31,327
Balance, end of year	**41,579**	31,477
Expected to be settled within one year	**1,814**	1,835
Expected to be settled beyond one year	**39,765**	29,642

a) Lease liabilities

As at December 31, 2024, the Company's lease liability is primarily comprised of its head office lease which expires November 30, 2025.

The following table provides a continuity of the change in the Company's lease obligations:

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Lease liabilities [(1)]		
Balance, beginning of year	**150**	251
Additions	**-**	46
Lease payments	**(140)**	(160)
Financing cost (note 14)	**4**	13
Balance, end of year	**14**	150
Expected to be settled within one year	**14**	135
Expected to be settled beyond one year	**-**	15

(1) A contractual maturity of the undiscounted payments due under the Company's lease agreements is provided in note 4.

The Company also has short term leases in place primarily for equipment with contract terms less than twelve months, expensed within operating expenses. The total amount expensed in respect of short-term leases was approximately $1.7 million during the year ended December 31, 2024 ($0.9 million during the year ended December 31, 2023).

b) Decommissioning obligations

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

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Balance, beginning of year	**31,327**	28,816
Obligations incurred	**1,119**	976
Obligations acquired (note 6)	**2,115**	161
Discount rate adjustment on obligations acquired (note 6)	**2,398**	-
Obligations disposed	**-**	(35)
Obligations settled	**(720)**	(345)
Changes in discount rate	**(1,551)**	1,528
Changes in estimates	**5,884**	(709)
Accretion (note 14)	**993**	935
Balance, end of year	**41,565**	31,327
Expected to be settled within one year	**1,800**	1,700
Expected to be settled beyond one year	**39,765**	29,627

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. During the current year Logan recorded changes in estimates of $5.9 million primarily related to an increase in prescribed cost estimates published by the Alberta Energy Regulator. As at December 31, 2024, the total undiscounted amount of the estimated cash flows required to settle the obligation is $52.0 million ($37.2 million as of December 31, 2023), of which, Logan expects to incur approximately $35.5 million over the next 20 years, $16.4 million in 20 to 50 years and the residual thereafter. The estimated inflated undiscounted future cash flows required to settle

the obligation is $78.8 million at December 31, 2024, based on an inflation rate of 2.0% over the restoration period (December 31, 2023 – $58.0 million based on an inflation rate of 2.1%). As at December 31, 2024, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.3% (3.0% at December 31, 2023).

10. BANK DEBT

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Bank loan	**2,150**	-
Unamortized issue costs (1)	**(847)**	-
Bank debt	**1,303**	-

(1) As at December 31, 2023, unamortized issue costs were presented within prepaid expenses and deposits within the Statements of Financial Position as there was no bank debt outstanding.

a) Bank debt

On October 3, 2024, Logan established new committed credit facilities with National Bank of Canada (the "Lender") in the aggregate principal amount of $125.0 million (the "Credit Facilities"). The Credit Facilities are comprised of a $75.0 million senior secured revolving committed term credit facility with an initial tenor of 2.0 years (the "Revolving Credit Facility") and a $50.0 million delayed draw term facility with a maximum initial tenor of up to 2.5 years (the "Term Facility"), which together replaced the Company's former $75.0 million demand credit facility.

The Revolving Credit Facility is comprised of a $25.0 million operating facility and a $50.0 million loan facility. The Revolving Credit Facility has a revolving period of 364 days extendible annually at the request of the Company, subject to approval of the Lender, with a term-out to October 3, 2026, if not renewed. The borrowing base for the Revolving Credit Facility is subject to semi-annual reviews occurring by May 31st and by November 30th of each year, based upon the Company's annual independent engineering report or updates thereto. Notwithstanding the foregoing, the first scheduled review is set to occur on or before June 30, 2025. The borrowing base 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 Term Facility is available to draw after January 1, 2025 and prior to June 30, 2025, subject to certain conditions prior to the initial advance, to a maximum principal amount of up to $50.0 million. The Term Facility matures at the earlier of 2.0 years from date of the initial draw or April 3, 2027, and is prepayable anytime without penalty. Repayments of principal are not required until the maturity date, provided the Company is in compliance with all covenants, representations and warranties.

The Credit Facilities are secured by a first fixed and floating charge debenture over all of the Company's assets and a general assignment of book debts. Borrowings are available by way of direct advances, CORRA loans, or letters of credit/guarantees. The Credit Facilities bear interest at market rates that fluctuate plus an applicable margin based on the net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio of the Company. The Company incurs standby fees on the undrawn facilities which also fluctuate based on the pricing grid.

The Company is subject to a financial covenant under the Credit Facilities whereby Logan's "Net Debt to EBITDA" ratio (as defined in the credit agreement), calculated quarterly, shall not exceed 2.5 to 1.0. On the first anniversary date of the initial drawdown on the Term Facility the Net Debt to EBITDA covenant will reduce to 2.0 to 1.0. The Credit Facilities includes other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements. Additionally, the Company is subject to the following minimum hedging requirements: 40% of forecasted crude oil production (net of royalties) for the six month period following closing of the Credit Facilities; and prior to the initial advance on the Term Facility, Logan shall implement hedges covering a minimum of 30% of forecasted crude oil and natural gas production (net of royalties) for the twelve month period following the initial drawdown.

As at December 31, 2024, the Company's Net Debt to EBITDA ratio was 0.40 to 1, calculated based on Logan's quarter-end net debt divided by Logan's EBITDA for the fourth quarter of 2024 annualized by multiplying by a factor of 4. As of the date hereof, Logan is in compliance with all covenants.

b) Letter of Credit Facility

The Company has a demand letter of credit facility which provides Logan with $5.0 million of incremental credit capacity to issue letters of credit. The letters of credit may be issued for general corporate purposes and are limited to a term of one year from the date of issuance. Letter of credit obligations are repayable on demand. As at December 31, 2024, the Company had $2.4 million of issued but undrawn letters of credit outstanding under the letter of credit facility.

c) Movements in bank debt

The following table reconciles movements in debt during the years ended December 31, 2024 and December 31, 2023:

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Balance, beginning of year	**-**	-
Advances	**116,900**	-
Repayments	**(114,750)**	-
Issue costs incurred	**(1,094)**	(111)
Amortization of issue costs	**307**	51
Reclassification of unamortized issue costs	**(60)**	60
Bank debt, end of year	**1,303**	-

11. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares, and an unlimited number of special shares, each without par value. Common shares carry one vote per share and the right to any dividends declared. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series-by-series basis.

b) Issued and outstanding

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

	Number of common shares (000s)	Amount ($ thousands)
Balance at December 31, 2022	-	-
Issued pursuant to the Spin-Out (note 5)	173,201	57,156
Issued for cash pursuant to private placement	138,545	48,491
Issued for cash on exercise of Transaction Warrants	153,791	53,827
Value attributed to Transaction Warrants exercised	-	3,076
Value attributed to Transaction Warrants expired	-	388
Share issue costs, net of deferred income taxes ($20)	-	(69)
Balance at December 31, 2023	465,537	162,869
Issued for cash pursuant to private placements	130,138	95,001
Share issue costs, net of deferred income taxes ($978)	-	(3,274)
Balance at December 31, 2024	**595,675**	**254,596**

Private Placements

On July 12, 2023, Logan closed a non-brokered private placement for aggregate gross proceeds of approximately $48.5 million (the “July 2023 Private Placement”), pursuant to which, Logan issued an aggregate of 64.3 million units (“Units”) and 74.3 million Logan Shares at a price of $0.35 per Unit and Logan Share, as applicable. Each Unit is comprised of one Logan Share and one Logan Share purchase warrant (a “Financing Warrant”). Logan Shares issued through the July 2023 Private Placement, inclusive of Logan Shares issued through the Units, were valued at $0.35 per common share equivalent to the consideration received.

On October 3, 2024, Logan closed a bought-deal private placement equity financing through a syndicate of underwriters for aggregate gross proceeds of approximately $50.0 million, pursuant to which, the Company issued approximately 68.5 million Logan Shares at $0.73 per common share. Net proceeds of $47.8 million after estimated issue costs were used initially to repay outstanding bank debt in full, and will be used to partially fund the Company’s capital expenditure program, and for general working capital purposes.

On December 17, 2024, Logan closed a bought-deal private placement equity financing through a syndicate of underwriters for aggregate gross proceeds of approximately $45.0 million, pursuant to which, the Company issued approximately 61.6 million Logan Shares at $0.73 per common share. Net proceeds of $42.9 million after estimated issue costs were used to partially fund the Acquisition (note 6).

Directors and officers of the Company subscribed to an aggregate of $7.3 million of the private placements completed in the fourth quarter of 2024 (note 18).

c) Warrants

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

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

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

The Company issued 64.3 million Financing Warrants pursuant to the July 2023 Private Placement, all of which remain outstanding as at December 31, 2024. Each Financing Warrant entitles the holder to purchase one Logan Share at an exercise price of $0.35 for a period of five years, expiring on July 12, 2028. The Financing Warrants vested and became exercisable as to one-third upon the 10-day weighted average trading price of Logan Shares (the “Market Price”) equaling or exceeding $0.70 per share, an additional one-third upon the Market Price equaling or exceeding $0.7875 per share and a final one-third upon the Market Price equaling or exceeding $0.875 per share. The Company recorded a one-time SBC expense of $9.8 million during the third quarter of 2023 based on 64.3 million of Financing Warrants issued multiplied by the estimated fair value of $0.15 per Financing Warrant.

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

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

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

d) Stock options

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

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

	Number of options (000s)	Average exercise price ($/share)
Balance at December 31, 2022	-	-
Granted [(1)]	22,700	0.89
Forfeited	(5)	(0.89)
Balance at December 31, 2023	**22,695**	**0.89**
Forfeited	**(92)**	**(0.89)**
Balance at December 31, 2024 [(2)(3)(4)]	**22,603**	**0.89**

(1) Stock options granted on November 22, 2023 with an exercise price of $0.89 per share vest 1/3 per year on the anniversary date of the grant.
(2) Stock options outstanding have a remaining term of 3.9 years as at December 31, 2024.
(3) The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the year ended December 31, 2024 was $0.82 per share. Accordingly, the outstanding stock options were not in-the-money during the year ended December 31, 2024.
(4) Subsequent to the reporting period, Logan granted an aggregate of 18.1 million stock options with an average exercise price of $0.65 per share (note 19). As of the date of these Financial Statements, there are 40.7 million stock options outstanding.

e) Share awards

The Company has a share award incentive plan, pursuant to which the Company may grant restricted share awards ("RSAs") and performance share awards ("PSAs") to directors, officers, employees and consultants of the Company. The share awards, being RSAs or PSAs as applicable, granted under the share award incentive plan are intended to be settled through the issuance of new common shares upon vesting for no additional consideration. The Board of Directors shall not grant new share awards under the plan if the number of shares issuable pursuant to outstanding share awards, when combined with the number of shares issuable pursuant to outstanding stock options granted under the Company's stock option plan, would exceed 10% of the issued and outstanding common shares at the time of the grant. The vesting period is determined at the discretion of the Board of Directors. As at December 31, 2024 and as of the date hereof, no share awards have been granted under Logan's share award incentive plan.

f) Share based compensation expense

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

	Year ended December 31	
(*CA$ thousands*)	**2024**	2023[(1)]
Stock options	**4,959**	889
Share awards	**-**	2,991
Financing warrants	**-**	9,790
Share based compensation expense	**4,959**	13,670

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

g) Per share amounts

For the purposes of computing net income (loss) per share, the number of shares outstanding for the periods prior to the Spin-Out is deemed to be the number of shares issued by the Company to Spartan upon closing of the Spin-Out.

The table below summarizes the weighted average ("WA") number of common shares outstanding (000's) used in the calculation of net income (loss) per share for the years ended December 31, 2024 and 2023:

	Year ended December 31	
(000s)	**2024**	2023
WA common shares outstanding, basic	**484,906**	307,864
Dilutive effect of warrants (1)	**36,899**	31,235
WA common shares outstanding, diluted (2)	**521,805**	339,099
Net income (loss)	**4,555**	(33,799)
$ per common share, basic and diluted	**0.01**	(0.11)

(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 years ended December 31, 2024 and December 31, 2023.

(2) In computing the diluted loss per common share for the year ended December 31, 2023, the Company excluded the effect of outstanding securities as they were anti-dilutive to the net loss per share.

12. INCOME TAXES

As at December 31, 2024, total tax pools available to the Company are estimated to be $285.0 million (December 31, 2023 – $119.4 million).

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

	Year ended December 31	
(*CA$ thousands)*	**2024**	2023
Net income (loss) before income taxes	**7,398**	(30,438)
Canadian statutory tax rate (1)	**23.0%**	23.0%
Expected income tax expense (recovery)	**1,702**	(7,001)
Increase resulting from:		
Attributed to Spartan (2)	**-**	7,980
Non-deductible expenses (3)	**1,141**	2,382
Deferred income tax expense	**2,843**	3,361
Current income tax expense	**-**	-
Income tax expense	**2,843**	3,361

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

(2) The Company did not record current or deferred taxes for the carve-out financial statements as Logan was not the legal obligor to either the deferred taxes or the tax pools utilized for periods prior to the Spin-Out (note 2b).

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

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

(*CA$ thousands)*	Balance at Dec 31, 2023	Recognized in net income	Recognized in balance sheet	**Balance at Dec 31, 2024**
Derivative financial instruments	-	(424)	-	**(424)**
Accelerated tax basis depreciation	(14,058)	(8,913)	(456)	**(23,427)**
Decommissioning obligations	7,205	1,898	456	**9,559**
Leases	2	(2)	-	**-**
Share and debt issue costs	17	(3)	978	**992**
Non-capital losses ("NCLs") (1)	3,493	4,601	-	**8,094**
Deferred income tax liability	**(3,341)**	**(2,843)**	**978**	**(5,206)**

(1) NCLs expire in years 2043 to 2044.

(*CA$ thousands)*	Balance at Dec 31, 2022	Recognized in net income	Recognized in balance sheet	**Balance at Dec 31, 2023**
Accelerated tax basis depreciation	-	(14,058)	-	**(14,058)**
Decommissioning obligations	-	7,205	-	**7,205**
Leases	-	2	-	**2**
Share and debt issue costs	-	(3)	20	**17**
Non-capital losses ("NCLs")	-	3,493	-	**3,493**
Deferred income tax liability	**-**	**(3,361)**	**20**	**(3,341)**

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

13. OIL AND GAS SALES, NET OF ROYALTIES

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

	Year ended December 31	
(*CA$ thousands)*	**2024**	2023
Oil and gas sales		
Crude oil	**78,019**	35,584
Natural gas liquids	**13,860**	16,013
Natural gas	**18,657**	27,261
Oil and gas sales	**110,536**	78,858
Royalties	**(9,628)**	(9,528)
Oil and gas sales, net of royalties	**100,908**	69,330

14. FINANCING

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

	Year ended December 31	
(*CA$ thousands)*	**2024**	2023
Interest and fees on bank debt	**969**	77
Financing cost of lease liabilities	**4**	13
Accretion of decommissioning obligations	**993**	935
Financing expenses	**1,966**	1,025
Interest income	**(1,073)**	(2,003)
Financing expenses (income)	**893**	(978)

15. SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended December 31	
(*CA$ thousands)*	**2024**	2023
Accounts receivable	**599**	(4,922)
Prepaid expenses and deposits	**10**	(1,522)
Accounts payable and accrued liabilities	**15,725**	18,663
Working capital acquired	**(2,600)**	-
Foreign exchange	**6**	-
Change in non-cash working capital	**13,740**	12,219
Relating to:		
Operating activities	**(2,088)**	(5,350)
Financing activities	**185**	-
Investing activities	**15,643**	17,569
Change in non-cash working capital	**13,740**	12,219
Cash payments in respect of:		
Interest and fees on bank debt	**1,678**	127
Income taxes	**-**	-

16. CAPITAL MANAGEMENT

Logan's capital management objectives are to maintain a flexible capital structure in order to execute on strategic opportunities throughout the business cycle, respond to changes in economic conditions, meet its financial obligations and to fund future settlements of decommissioning obligations. The Company seeks to create long-term shareholder value by investing in projects that are expected to strengthen its overall asset portfolio and suite of internally generated prospects.

As at December 31, 2024, the Company considers its capital structure to include shareholders' equity, bank debt and working capital. Logan uses "Net Debt (Surplus)" as a capital management measure and is calculated by the Company as bank debt, net of "Adjusted Working Capital". Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. Adjusted Working Capital is calculated by Logan as current liabilities less current assets, excluding derivative financial instrument assets and liabilities and provisions and other liabilities.

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

(CA$ thousands)	**December 31, 2024**	December 31, 2023
Cash	**(324)**	(53,970)
Accounts receivable	**(13,081)**	(13,680)
Prepaid expenses and deposits	**(1,512)**	(1,522)
Accounts payable and accrued liabilities	**41,429**	25,704
Adjusted Working Capital, deficit (surplus)	**26,512**	(43,468)
Bank debt	**1,303**	-
Net Debt (Surplus)	**27,815**	(43,468)
Total shareholders' equity	**275,357**	174,116

Logan had Net Debt of $27.8 million as at December 31, 2024. Net Debt increased compared to a $43.5 million Net Surplus at December 31, 2023, primarily due to capital expenditures which exceeded cash flow provided by operating activities during the year. During the year ended December 31, 2024, the Company utilized the cash on hand, net proceeds of $90.7 million from equity financings, borrowings under its credit facilities and $50.4 million in cash provided by operating activities to fund the Company's exploration and development capital expenditures of $151.2 million and acquisition costs of $60.6 million.

The Company monitors its capital structure and short-term financing requirements using a "Net Debt to Annualized AFF Ratio", which is calculated by Logan as the Company's Net Debt (calculated above) relative to its "Annualized Adjusted Funds Flow" (calculated below). The reader is cautioned that "Adjusted Funds Flow" does not have standardized meaning under IFRS and may not be directly comparable to measures of other companies where similar terminology is used. Logan calculates "Adjusted Funds Flow" by adding back transaction costs on acquisitions and the change in non-cash working capital to cash provided by operating activities. Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's financial forecasts and public guidance because it reflects the net cash flow generated from routine business operations, excluding changes in non-cash working capital. "Annualized Adjusted Funds Flow" is calculated by multiplying Adjusted Funds Flow for the most recently completed quarter by a factor of 4; management considers this annualized measure to be more representative of the Company's current financial position than a 12-month trailing measure. Management believes that the Net Debt to Annualized AFF Ratio provides investors with information to understand the Company's liquidity risk and its ability to repay bank debt and fund future capital expenditures.

Three months ended *(CA$ thousands)*	**December 31, 2024**	December 31, 2023
Cash provided by operating activities	**12,004**	11,176
Change in non-cash operating working capital	**4,285**	4,216
Add back: Transaction costs	**400**	-
Adjusted Funds Flow for the quarter	**16,689**	15,392
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow	**66,756**	61,568
Net Debt (Surplus)	**27,815**	(43,468)
Net Debt (Surplus) to Annualized AFF Ratio	**0.4 x**	(0.7 x)

As at December 31, 2024, Logan had Net Debt of $27.8 million, which is approximately 0.4 times the Company's Annualized Adjusted Funds Flow for the fourth quarter of 2024. 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 December 31, 2024, the

Company's Net Debt of $27.8 million represented 22% of the authorized borrowing amount available under the Credit Facilities of $125.0 million (note 10).

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, net proceeds under the GORR Sale and Facility Interest Sale (defined in note 19) and borrowings under the Credit Facilities. In order to maintain or adjust its capital structure in the future, the Company may issue new common shares or other equity securities, issue debt, adjust capital expenditures and acquire or dispose of assets.

As at December 31, 2024, the Company is not subject to any externally imposed capital requirements other than the financial covenants under its bank credit facilities, to which Logan is in full compliance (note 10).

17. COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of December 31, 2024:

(CA$ thousands)	2025	2026	2027	2028	2029	Thereafter
Gas transportation (1)	7,902	2,050	2,135	8,241	7,725	44,248
Liquids transportation (2)	237	60	-	-	-	-
Processing fees (3)	7,569	7,638	5,018	6,211	4,138	17,889
Total commitments (4)	**15,708**	**9,748**	**7,153**	**14,452**	**11,863**	**62,137**

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

(2) Relates to upstream natural gas liquids transportation contract in place until March 2026.

(3) Processing fee commitments relate to the following agreements: (i) firm capacity for natural gas gathering and processing at the NorthRiver Fourth Creek and Gordondale East gas plants until March 2027; (ii) firm capacity for natural gas gathering and processing at the CSV Simonette Gas Plant until September 2040; and (iii) and a commitment to make-whole, in the event of a shortfall (if any) on partner capital recovery on certain projects at the CSV Simonette Gas Plant, of up to $2.1 million that may become payable in February 2028.

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

Subsequent to December 31, 2024, Logan closed the 2.5% GORR Sale (defined in note 19) and entered into a commitment to spend a minimum of $50.0 million to drill and complete wells on the gross overriding royalty ("GORR") lands in the Pouce Coupe area prior to December 31, 2026.

18. RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

As at December 31, 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.

b) Related party transactions

Directors and officers of the Company participated under the president's list in the private placements which closed on October 3, 2024 and December 17, 2024 (note 11) for an aggregate subscription of approximately $5.0 million and $2.3 million, respectively.

During the year ended December 31, 2024, the Company incurred $0.9 million of legal fees to a law firm where the corporate secretary of the Company is a partner (2023 – $0.1 million). The fees are primarily transaction costs related

to the Acquisition and share issue costs incurred in respect of the equity financings completed during 2024. Approximately $0.5 million of legal fees are included in the balance of accounts payable and accrued liabilities as of December 31, 2024 (2023 – nil).

c) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers, board of directors and corporate secretary. The following table summarizes actual and estimated allocated management compensation paid or payable during the years ended December 31, 2024 and 2023. For purposes of the carve-out financial statements, Spartan's key management compensation was allocated pro rata based on relative headcount of the officers and directors of Spartan and Logan for the previous year up to June 20, 2023.

	Year ended December 31,	
(*CA$ thousands)*	**2024**	2023
Salaries and benefits	**2,652**	1,956
Directors fees	**168**	-
Share based compensation (1)	**2,556**	5,817
Total key management compensation	**5,376**	7,773

(1) No stock options were granted during the year ended December 31, 2024. During 2023, key management personnel were granted 9.9 million stock options with an exercise price of $0.89 per share.

19. SUBSEQUENT EVENTS

Topaz Transactions

On January 31, 2025, Logan entered into definitive agreements with Topaz Energy Corp. (“Topaz”) to sell a newly created 2.5% gross overriding royalty on the Company’s lands in the Pouce Coupe area (the “GORR Sale”) and a 35% non-operated working interest in Logan’s Pouce Coupe 4-19 gas plant, compressor station and oil battery which are currently under construction (the “Pouce 4-19 Facility”) for combined gross proceeds of $43.0 million.

Logan closed the 2.5% GORR Sale on January 31, 2025, for net cash proceeds of $16.6 million after closing adjustments. In connection with the GORR Sale, Logan has committed to spend a minimum of $50.0 million to drill and complete wells on the GORR lands in the Pouce Coupe area prior to December 31, 2026. Logan expects to fully satisfy this commitment with its existing 2025 capital expenditure budget.

Topaz has agreed to acquire a 35% working interest in the Pouce 4-19 Facility from Logan for gross cash proceeds of $26.0 million (the “Facility Interest Sale”). Logan will retain operatorship and the remaining 65% working interest. At closing, Logan will enter into a long-term take-or-pay commitment with Topaz to access their working interest capacity. The transaction is expected to close in the second quarter of 2025 upon commissioning of the Pouce 4-19 Facility, and is subject to the satisfaction or waiver of customary closing conditions, including all required regulatory approvals.

Commodity Hedging Update

The Company entered additional into additional risk management contracts subsequent to the reporting period. The following table summarizes all commodity price risk management contracts outstanding as of March 19, 2025:

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
Crude oil – swap	750 bbls/d	WTI	US$71.60 per barrel	January 1 to March 31, 2025
Crude oil – swap	1,250 bbls/d	WTI	US$70.84 per barrel	April 1 to June 30, 2025
Crude oil – swap	1,250 bbls/d	WTI	US$70.37 per barrel	July 1 to September 30, 2025
Crude oil – swap	1,000 bbls/d	WTI	US$70.03 per barrel	October 1 to December 31, 2025
Crude oil – swap	500 bbls/d	WTI	CA$102.05 per barrel	January 1 to December 31, 2025
Crude oil – short call	500 bbls/d	WTI	CA$102.05 per barrel	January 1 to December 31, 2025
Natural gas – swap	5,000 GJ/d	AECO	CA$2.50 per GJ	January 1 to March 31, 2025
Natural gas – swap	20,000 GJ/d	AECO	CA$2.17 per GJ	April 1 to October 31, 2025
Natural gas - swap	20,000 GJ/d	AECO	CA$3.12 per GJ	November 1, 2025 to March 31, 2026
Natural gas - swap	5,000 GJ/d	AECO	CA$2.75 per GJ	April 1 to October 31, 2026
FX - collar	US$1.5MM per month	CA$/US$	$1.410 to $1.448	February 1 to December 31, 2025

Stock Option Grant

To date in 2025, the Company's Board of Directors approved the grant of an aggregate of approximately 18.1 million stock options with an average exercise price of $0.65 per common share and a five year term. The options vest as to one-third on each of the first, second and third anniversaries of the grant date. Of the total number of options granted, an aggregate of approximately 13.3 million options were granted to officers and directors of the Company with an exercise price of $0.64 per common share.