LOGAN

ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS ENDED
MARCH 31, 2025 AND 2024

LOGAN ENERGY CORP.
STATEMENTS OF FINANCIAL POSITION

(CA$ thousands)	[Note]	**March 31, 2025**	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		**201**	324
Accounts receivable	[4]	**29,998**	13,081
Prepaid expenses and deposits		**3,455**	1,512
Derivative financial instruments	[4]	**378**	2,329
Total current assets		**34,032**	17,246
Derivative financial instruments	[4]	**-**	92
Exploration and evaluation assets	[5,6]	**36,999**	35,297
Property, plant and equipment	[5,7]	**390,724**	312,815
Total assets		**461,755**	365,450
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	[4]	**87,250**	41,429
Derivative financial instruments	[4]	**2,126**	576
Provisions and other liabilities	[8]	**2,942**	1,814
Total current liabilities		**92,318**	43,819
Bank debt	[9]	**38,917**	1,303
Derivative financial instruments	[4]	**192**	-
Provisions and other liabilities	[8]	**49,262**	39,765
Deferred income tax liability	[11]	**5,322**	5,206
Total liabilities		**186,011**	90,093
SHAREHOLDERS' EQUITY			
Share capital	[10]	**254,596**	254,596
Warrants	[10]	**9,790**	9,790
Contributed surplus		**6,300**	5,519
Retained earnings		**5,058**	5,452
Total shareholders' equity		**275,744**	275,357
Total liabilities and shareholders' equity		**461,755**	365,450
Commitments and contingencies	[16]		
Subsequent events	[17]		

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

Approved on behalf of the Board of Directors:

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

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

		Three months ended March 31	
(CA$ thousands, except per share amounts)	[Note]	**2025**	2024
Revenue			
Oil and gas sales	[12]	**34,685**	24,430
Royalties	[12]	**(3,381)**	(2,018)
Oil and gas sales, net of royalties		**31,304**	22,412
Processing and other		**603**	857
		31,907	23,269
Loss on derivative financial instruments	[4]	**(3,620)**	(2,330)
Expenses			
Operating		**11,340**	9,350
Transportation		**1,855**	2,511
General and administrative		**1,515**	1,516
Share based compensation	[10]	**781**	1,283
Financing	[13]	**962**	(312)
Depletion, depreciation and impairment	[7]	**12,216**	8,801
Gain on sale of assets	[8]	**(208)**	-
Transaction costs	[5]	**103**	-
Foreign exchange loss (gain)		**1**	(8)
		28,565	23,141
Net loss before income taxes		**(278)**	(2,202)
Deferred income tax expense (recovery)	[11]	**116**	(211)
Net loss and comprehensive loss		**(394)**	(1,991)
Net loss per share			
Basic and diluted	[10]	**(0.00)**	(0.00)

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	Retained earnings	Total
Balance at December 31, 2024		**254,596**	**9,790**	**5,519**	**5,452**	**275,357**
Net loss and comprehensive loss		**-**	**-**	**-**	**(394)**	**(394)**
Share based compensation expense	[10]	**-**	**-**	**781**	**-**	**781**
Balance at March 31, 2025		**254,596**	**9,790**	**6,300**	**5,058**	**275,744**
Balance at December 31, 2023		162,869	9,790	560	897	174,116
Net loss and comprehensive loss		-	-	-	(1,991)	(1,991)
Share based compensation expense	[10]	-	-	1,283	-	1,283
Balance at March 31, 2024		162,869	9,790	1,843	(1,094)	173,408

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

LOGAN ENERGY CORP.
STATEMENTS OF CASH FLOW

		Three months ended March 31	
(CA$ thousands)	[Note]	**2025**	2024
Operating activities			
Net loss		**(394)**	(1,991)
Items not affecting cash:			
Unrealized loss on derivatives	[4]	**3,785**	2,118
Unrealized foreign exchange loss (gain)		**9**	(10)
Share based compensation		**781**	1,283
Financing	[13]	**341**	235
Depletion, depreciation and impairment		**12,216**	8,801
Gain on sale of assets	[8]	**(208)**	-
Deferred income tax expense		**116**	(211)
Settlement of decommissioning obligations	[8]	**(766)**	(380)
Change in non-cash working capital	[14]	**(185)**	6,955
Cash provided by operating activities		**15,695**	16,800
Financing activities			
Advances of bank debt, net of costs	[9]	**106,514**	-
Repayments of bank debt	[9]	**(68,900)**	-
Lease payments	[8]	**(8)**	(42)
Change in non-cash working capital	[14]	**(128)**	-
Cash provided by financing activities		**37,478**	(42)
Investing activities			
Exploration and evaluation assets	[6]	**(937)**	(10,623)
Property, plant and equipment	[7]	**(95,348)**	(24,559)
Property acquisitions	[5]	**(920)**	(300)
Property dispositions	[5]	**16,644**	-
Change in non-cash working capital	[14]	**27,255**	10,615
Cash used in investing activities		**(53,306)**	(24,867)
Net change in cash and cash equivalents		**(133)**	(8,109)
Foreign exchange on cash and cash equivalents		**10**	3
Cash and cash equivalents, beginning of year		**324**	53,970
Cash and cash equivalents, end of period		**201**	45,864

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.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements as at March 31, 2025 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024 (the "2024 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on May 14, 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.

c) Significant estimates and judgements

The timely preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 2 of the 2024 Annual Financial Statements, except as noted below.

Sale of Royalty Interests

Accounting for the sale of a gross overriding royalty ("GORR") interest on the Company's production, or a portion thereof, requires judgement. The specific terms of the transaction are considered to determine whether an interest in the reserves of the respective property has been disposed as of the closing date of the transaction. Consideration is given to whether the counterparty is entitled to the associated risks and rewards over the life of the property including the contractual terms and implicit obligations related to production over the life of the property, the option of settling the GORR in cash or in kind and the associated commitments, if any, to develop future expansions or projects at the property. Judgment is also required in determining the allocation of proceeds between the disposition of reserves, if any, a deferred gain related for an upfront payment for future oil and gas extraction services that will generate future royalties, and ultimately whether any gain or loss is recorded in net income (loss) at the time of the transaction. Details of the judgements applied by the Company are provided in note 8.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are described in note 3 of the 2024 Annual Financial Statements. These Financial Statements at March 31, 2025, have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2024.

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 March 31, 2025 and December 31, 2024, 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 9). 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 9). 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 March 31, 2025, 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)	**March 31, 2025**	December 31, 2024
Oil and gas marketers	**12,354**	9,312
Joint venture partners	**15,294**	1,749
GST input tax credits	**1,388**	853
Settlements on derivative financial instruments	**291**	115
Other receivables	**671**	1,052
Accounts receivable	**29,998**	13,081

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 March 31, 2025	**22,462**	**7,369**	**7**	**160**	**29,998**
Balance at December 31, 2024	12,383	303	380	15	13,081

During the three months ended March 31, 2025, sales to four oil and gas marketers represented more than 10% of revenue. Sales to these marketers account for approximately 95% of total oil and gas sales revenue (before royalties) in the three months ended March 31, 2025. During the previous year ended December 31, 2024, sales to three marketers accounted for approximately 67% 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 March 31, 2025 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 March 31, 2025 ($0.1 million at December 31, 2024).

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 March 31, 2025, 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 (notes 9 and 17), 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 March 31, 2025:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	87,250	-	-	-	87,250
Derivative financial instrument liabilities	2,126	192	-	-	2,318
Credit Facilities [(1)] (note 9)	2,867	41,004	-	-	43,871
Undiscounted lease liabilities (note 8)	29	39	-	-	68
Total	**92,272**	**41,235**	**-**	**-**	**133,507**

(1) Includes interest and standby fees at annual rates of 6.7% and 0.7%, respectively, being the applicable rates on the Revolving Credit Facility (defined in note 9) as at March 31, 2025. For purposes of the above table, principal repayment is assumed on the October 3, 2026 term maturity date of the Revolving Credit Facility as of March 31, 2025. Subsequent to the quarter, the authorized borrowing amount under the credit facilities was increased to $150.0 million and the current revolving period was extended to April 3, 2026 with a term out to April 3, 2027, if not renewed.

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 March 31, 2025.

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
FX - collar	US$1.5MM per month	CA$/US$	$1.410 to $1.448	April 1 to December 31, 2025
Crude oil – swap	1,000 bbls/d	Edm SW Basis	US$(4.10) per barrel discount to WTI	May 1 to December 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	April 1 to December 31, 2025
Crude oil – short call	500 bbls/d	WTI	CA$102.05 per barrel	April 1 to December 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

Additionally, Logan entered into the following new contracts subsequent to the reporting period:

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
Natural gas - swap	10,000 GJ/d	AECO	CA$2.90 per GJ	April 1 to October 31, 2026
Natural gas - swap	15,000 GJ/d	AECO	CA$3.56 per GJ	November 1, 2026 to March 31, 2027

Derivative financial instruments are recorded at fair value in the Statements of Financial Position. The fair value of contracts outstanding as at March 31, 2025, resulted in a derivative financial instrument liability of $2.3 million related to the natural gas contracts and a net $0.4 million asset related to the crude oil contracts, for a total net liability of $1.9 million. As at December 31, 2024, the fair value of contracts outstanding 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.

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 March 31, 2025:

(CA$ thousands)	Change in price	Positive movement	Negative movement
AECO	+/- CA$0.25 per GJ	(2,092,500)	2,092,500
WTI	+/- CA$5.00 per barrel	(2,507,118)	2,291,250
Edm SW Basis (1)	+/- CA$0.50 per barrel	(122,500)	122,500
CA$/US$ exchange rate (2)	+/- $0.01	-	-

(1) Edm SW Basis refers to the Edmonton Light Sweet crude oil reference price relative to WTI. A positive movement means that the differential is narrowing and a negative movement means that the differential widening.

(2) A positive movement refers to appreciation of the U.S. dollar relative to the Canadian dollar and vice versa. Based on the FX strip for the remainder of 2025 of 1.430 CA$/US$ as at March 31, 2025, if the Canadian dollar appreciates or depreciates by $0.01 relative to strip at the balance sheet date, no settlement is expected as the exchange rate falls within the collar (floor 1.410, ceiling 1.448).

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. dollar denominated commodity price risk management contracts. During the quarter, 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 to effectively convert approximately 60% of its U.S. dollar denominated WTI oil hedges to CAD equivalent. The fair value of the foreign exchange collar was nominal at Marh 31, 2025.

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 9), interest rates fluctuate based on the bank prime rate plus an applicable margin. Based on the balance of bank debt drawn of $39.7 million as at March 31, 2025, a change in the market rate of interest by 50 basis points would increase (decrease) annualized interest expense by approximately $0.2 million. The Company does not currently have any interest rate risk management contracts in place.

Gains and losses on derivative financial instruments

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

	Three months ended March 31	
(CA$ thousands)	**2025**	2025
Realized gain (loss)	**165**	(212)
Unrealized loss	**(3,785)**	(2,118)
Loss on derivative financial instruments	**(3,620)**	(2,330)

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 March 31, 2025	Gross	Netting	Net CV
Financial assets			
Derivative financial instruments	**1,110**	**(732)**	**378**
Financial liabilities			
Derivative financial instruments	**(2,318)**	**-**	**(2,318)**

(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. ACQUISITIONS AND DISPOSITIONS

2025 Dispositions

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. Refer to note 8c) for discussion of the accounting impacts of the GORR Sale. 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 (note 16). Logan expects to fully satisfy this commitment with its existing 2025 capital expenditure budget, with $12.0 million spent as of March 31, 2025.

(CA$ thousands)	**January 31, 2025**
Gross proceeds	17,000
Closing adjustments	(356)
Cash proceeds, after closing adjustments	**16,644**
Disposition of property, plant and equipment (note 7)	7,585
Deferred gain (note 8)	9,059
Carrying value of net assets disposed	**16,644**

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 Facility Interest Sale 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.

The Facility Interest Sale will be accounted for as a sale lease back transaction. Refer to additional information in note 8a).

2025 Acquisitions

Logan completed minor property acquisitions during the three months ended March 31, 2025, for aggregate cash consideration of $0.9 million. The consideration was allocated $1.4 million to E&E assets and $0.5 million to decommissioning obligations.

2024 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 was estimated to be $2.6 million (recorded within accounts payable and accrued liabilities), of which Logan has incurred $2.5 million as of March 31, 2025.

The fair value of PP&E acquired was estimated based on fair value less costs of disposal ("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 three months ended March 31, 2024 does not include the results of operations for the Acquisition as it predates the closing date. "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 $2.9 million and $1.8 million, respectively, for the three months ended March 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.

6. 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 periods:

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Balance, beginning of year	**35,297**	16,335
Additions	**937**	33,259
Acquisitions (note 5)	**1,390**	6,142
Transfers to PP&E (note 6)	**(625)**	(20,226)
Expired mineral leases [(1)]	**-**	(213)
Balance, end of period	**36,999**	35,297

(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 March 31, 2025 and at December 31, 2024, concluding there are no indicators of impairment.

7. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment ("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 periods:

PP&E, at cost *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2023	207,021	460	207,481
Additions	117,984	-	117,984
Acquisitions (note 5)	59,170	-	59,170
Dispositions [(1)]	-	(408)	(408)
Changes in decommissioning cost (note 8)	5,452	-	5,452
Decommissioning discount rate adjustment (note 8)	2,398	-	2,398
Transfers from E&E (note 6)	20,226	-	20,226
Balance at December 31, 2024	**412,251**	**52**	**412,303**
Additions	**95,348**	**56**	**95,404**
Dispositions [(1)] (note 5, 8)	**(11,074)**	**(30)**	**(11,104)**
Changes in decommissioning cost (note 8)	**1,681**	**-**	**1,681**
Transfers from E&E (note 6)	**625**	**-**	**625**
Balance at March 31, 2025	**498,831**	**78**	**498,909**

Accumulated DD&I *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2023	58,029	321	58,350
Depletion and depreciation	41,419	127	41,546
Dispositions [(1)]	-	(408)	(408)
Balance at December 31, 2024	**99,448**	**40**	**99,488**
Depletion and depreciation	**12,209**	**7**	**12,216**
Dispositions [(1)]	**(3,489)**	**(30)**	**(3,519)**
Balance at March 31, 2025	**108,168**	**17**	**108,185**

Net carrying value	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2024	312,803	12	312,815
Balance at March 13, 2025	**390,663**	**61**	**390,724**

(1) ROU Asset dispositions relates to ROU assets under leases that expired in the periods ended March 31, 2025 and 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 March 31, 2025 ($1.1 billion at December 31, 2024). Capital expenditures of $42.2 million related to the Pouce Gas Plant under construction have been excluded from the depletion calculation ($13.9 million at December 31, 2024).

Logan assessed each of its cash generating units ("CGUs") for indicators of potential impairment and concluded there were no indicators of impairment as at March 31, 2025 and as at December 31, 2024.

8. PROVISIONS AND OTHER LIABILITIES

Provisions and other liabilities are comprised of the Company's lease liabilities, decommissioning obligations and the deferred gain recognized in respect of the GORR Sale (note 5):

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Lease liabilities	**62**	14
Decommissioning obligations	**43,291**	41,565
Deferred gain	**8,851**	-
Balance, end of period	**52,204**	41,579
Expected to be settled within one year	**2,942**	1,814
Expected to be settled beyond one year	**49,262**	39,765

a) Lease liabilities

As at March 31, 2025, the Company's lease liability is primarily comprised of its head office lease which expires November 30, 2025 and a vehicle lease entered in the period. Subsequent to the reporting period, Logan entered a new office lease with a term of three years ending November 30, 2028. The total commitment under the new lease is approximately $1.1 million in aggregate over three years for rent and estimated operating costs.

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

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Lease liabilities [(1)]		
Balance, beginning of year	**14**	150
Additions	**56**	-
Lease payments	**(8)**	(140)
Financing cost (note 13)	**-**	4
Balance, end of period	**62**	14
Expected to be settled within one year	**25**	14
Expected to be settled beyond one year	**37**	-

(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 $0.5 million during the three months ended March 31, 2025 ($0.3 million during the three months ended March 31, 2024).

The Facility Interest Sale (note 5) is expected to close in the second quarter of 2025 will be accounted for as a sale lease back transaction, with a lease liability and right-of-use asset recognized accordingly. The lease liability will be estimated based on the present value of the expected lease payments over the term of the take-or-pay commitment to be entered at closing. A right-of-use asset will be recognized up to the carrying value of the partial disposition in the Pouce 4-19 Facility. This information represents management's best estimate of the accounting impact at the time of preparing these interim financial statements, however these estimates may change upon completion of the final accounting.

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)	**March 31, 2025**	December 31, 2024
Decommissioning obligations		
Balance, beginning of year	**41,565**	31,327
Obligations incurred	**966**	1,119
Obligations acquired (note 5)	**470**	2,115
Discount rate adjustment on obligations acquired (note 5)	**-**	2,398
Obligations settled	**(766)**	(720)
Changes in discount rate	**721**	(1,551)
Changes in estimates (1)	**(6)**	5,884
Accretion (note 13)	**341**	993
Balance, end of period	**43,291**	41,565
Expected to be settled within one year	**1,800**	1,800
Expected to be settled beyond one year	**41,491**	39,765

(1) During the prior year ended December 31, 2024, Logan recorded changes in estimates of $5.9 million primarily related to an increase in the prescribed cost estimates published by the Alberta Energy Regulator.

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at March 31, 2025, the total undiscounted amount of the estimated cash flows required to settle the obligation is $53.4 million ($52.0 million as of December 31, 2024), of which, Logan expects to incur approximately $35.6 million over the next 20 years, $17.7 million in 20 to 50 years and the residual thereafter. The estimated inflated undiscounted future cash flows required to settle the obligation is $82.7 million at March 31, 2025, based on an inflation rate of 2.0% over the restoration period (December 31, 2024 – $78.8 million based on an inflation rate of 2.0%). As at March 31, 2025, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.2% (3.3% at December 31, 2024).

c) Deferred gain

On January 31, 2025, the Company closed the GORR Sale for net cash proceeds of $16.6 million (note 5).

Judgement was required in determining the allocation of the GORR Sale proceeds, which was determined to be comprised of: (i) payment for partial disposal of an interest in PP&E to be recognized as a disposition of PP&E; and (ii) an upfront payment received for future oil and gas extraction services that will generate future royalties to be recognized as a deferred gain.

The deferred gain was calculated based on the discounted future cash flows of future development and operating costs multiplied by the 2.5% royalty rate to derive the upfront payment received for future extraction services of $9.1 million. The deferred gain will be recognized in net income (loss) as a gain on sale of assets over the reserve life of the Pouce Coupe area, as future development of the Pouce Coupe land occurs as this is estimated to approximate the efforts the Company will incur towards the implied extraction performance obligation.

The remaining proceeds were compared to the carrying value attributable to the partial disposal of PP&E, with no further gain or loss recorded. The Company applied judgment in determining the carrying value of PP&E to be disposed, which was derived based on the proportion of proved and probable reserve value disposed through the GORR Sale.

The following table summarizes the change in the deferred gain outstanding:

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Deferred gain		
Balance, beginning of year	**-**	-
GORR Sale (note 5)	**9,059**	-
Gain recognized in net loss	**(208)**	-
Balance, end of period	**8,851**	-
Expected to be settled within one year	**1,117**	-
Expected to be settled beyond one year	**7,734**	-

9. BANK DEBT

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Bank loan	**39,650**	2,150
Unamortized issue costs	**(733)**	(847)
Bank debt	**38,917**	1,303

a) Bank debt

The Company has committed credit facilities with National Bank of Canada (the "Lender"). As at March 31, 2025, the credit facilities were comprised of a $75.0 million senior secured revolving committed term credit facility (the "Revolving Credit Facility") and a $50.0 million delayed draw term facility with a maturity date of April 3, 2027 (the "Term Facility") (together, the "Credit Facilities"). Subsequent to the quarter, the Lender completed the annual borrowing base review and increased the Company's total available credit capacity from $125.0 million to $150.0 million effective May 14, 2025 (note 17).

As at March 31, 2025, the Revolving Credit Facility was comprised of a $25.0 million operating facility and a $50.0 million loan facility. Effective May 14, 2025, the $50.0 million Term Facility was cancelled and the borrowing base under the Revolving Credit Facility was increased to $150.0 million, comprised of a $25.0 million operating facility and a $125.0 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. Effective May 14, 2025, the current revolving period was extended to April 3, 2026, with a term-out to April 3, 2027, if not renewed. The borrowing base 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. The borrowing base may also be subject to redetermination upon, among other things, disposing of material properties or acquiring inactive decommissioning obligations subject to certain thresholds. 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.

As at March 31, 2025, the Company was 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. The "Net Debt to EBITDA" covenant was subsequently eliminated effective May 14, 2025, and the Company is not subject

to any further financial covenants. The Credit Facilities do include other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements.

As at March 31, 2025, the Company's Net Debt to EBITDA ratio was 1.3 to 1.0, calculated based on Logan's quarter-end net debt divided by Logan's EBITDA for the six months ended March 31, 2025, annualized by multiplying by a factor of 2. 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 March 31, 2025, the Company had $3.8 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 periods ended March 31, 2025 and December 31, 2024:

(CA$ thousands)	**March 31, 2025**	December 31, 2024
Balance, beginning of year	**1,303**	-
Advances	**106,400**	116,900
Repayments	**(68,900)**	(114,750)
Issue costs incurred	**(50)**	(1,094)
Amortization of issue costs	**164**	307
Reclassification of unamortized issue costs	**-**	(60)
Bank debt, end of period	**38,917**	1,303

10. 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 March 31, 2025 (December 31, 2024 – nil).

	Number of common shares (000s)	Amount ($ thousands)
Balance at December 31, 2023	465,537	162,869
Issued for cash pursuant to private placement	130,138	95,001
Share issue costs, net of deferred income taxes ($978)	-	(3,274)
Balance at December 31, 2024	595,675	254,596
Balance at March 31, 2025	**595,675**	**254,596**

2024 Private Placements

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 common shares at $0.73 per share. Net proceeds were $47.8 million after issue costs.

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 common shares at $0.73 per share. Net proceeds of $42.9 million after issue costs were used to partially fund the Acquisition (note 5).

c) Warrants

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

	Number of warrants (000s)	Amount ($ thousands)	Average exercise price ($/share)
Balance at December 31, 2023	64,286	9,790	0.35
Balance at December 31, 2024	64,286	9,790	0.35
Balance at March 31, 2025	**64,286**	**9,790**	**0.35**

As at March 31, 2025, the Company has 64.3 million warrants outstanding. Each warrant entitles the holder to purchase one common share of Logan at an exercise price of $0.35 per share on or before July 12, 2028.

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, 2023	22,695	0.89
Forfeited	(92)	(0.89)
Balance at December 31, 2024	**22,603**	**0.89**
Granted [(1)]	**18,070**	**0.65**
Forfeited	**(8)**	**(0.89)**
Balance at March 31, 2025	**40,665**	**0.78**

(1) Stock options granted vest 1/3 per year on the anniversary date of the grant.

The fair value of stock options granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions as follows:

	Three months ended March 31	
	2025	2024
Risk free interest rate	**2.6%**	-
Expected life (years)	**3.6**	-
Expected volatility (1)	**50.0%**	-
Expected dividend yield	**0.0%**	-
Expected forfeiture rate	**2.0%**	-
Average fair value of options granted ($/share)	**0.25**	-

(1) Logan has estimated the expected volatility over the life of the option based on a peer group average for intermediate oil and gas companies. A peer group average was used given the short time frame of the Company's historical share price data since listing on the TSXV on July 18, 2023.

The following table summarizes information regarding stock options outstanding at March 31, 2025:

Exercise price ($/share)	Number of options outstanding (000s)	Weighted average remaining term (years)	Weighted average exercise price for options outstanding ($/share)	Number of options exercisable (000s)	Weighted average exercise price for options exercisable ($/share)
$0.64 - $0.70	18,070	5.0	0.65	-	-
$0.71 - $0.89	22,595	3.6	0.89	7,532	0.89
Total	**40,665**	**4.2**	**0.78**	**7,532**	**-**

The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the three months ended March 31, 2025 was $0.68 per share ($0.83 per share for the three months ended March 31, 2024).

e) Share awards

The Company has a share award incentive plan, pursuant to which the Company may grant restricted share awards ("RSAs") and performance share awards ("PSAs") to directors, officers, employees and consultants of the Company. The share awards, being RSAs or PSAs as applicable, granted under the share award incentive plan are intended to be settled through the issuance of new common shares upon vesting for no additional consideration. The Board of Directors shall not grant new share awards under the plan if the number of shares issuable pursuant to outstanding share awards, when combined with the number of shares issuable pursuant to outstanding stock options granted under the Company's stock option plan, would exceed 10% of the issued and outstanding common shares at the time of the grant. The vesting period is determined at the discretion of the Board of Directors. As at March 31, 2025 and as of the date hereof, no share awards have been granted under Logan's share award incentive plan.

f) Share based compensation expense

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

	Three months ended March 31	
(*CA$ thousands)*	**2025**	2024
Stock options	**781**	1,283
Share based compensation expense	**781**	1,283

g) Per share amounts

The table below summarizes the weighted average ("WA") number of common shares outstanding (000's) used in the calculation of net income (loss) per share for the three months ended March 31, 2025 and 2024:

	Three months ended March 31	
(000s)	**2025**	2024
WA common shares outstanding, basic	**595,675**	465,537
Dilutive effect of warrants (1)	**31,391**	37,321
WA common shares outstanding, diluted (2)	**627,066**	502,858
Net loss	**(394)**	(1,991)
$ per common share, basic and diluted	**(0.00)**	(0.00)

(1) Dilutive effect of outstanding securities includes the incremental dilutive impact of the Financing Warrants. Stock options outstanding from the date of grant were excluded from the dilutive effect of outstanding securities as the stock options were not dilutive based on the treasury stock method during the three month periods ended March 31 2025 and 2024.

(2) In computing the diluted loss per common share for the three months ended March 31, 2025 and March 31, 2024, the Company excluded the effect of outstanding securities as they were anti-dilutive to the net loss per share.

11. INCOME TAXES

As at March 31, 2025, total tax pools available to the Company are estimated to be $350.3 million (December 31, 2024 – $285.0 million).

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

	Three months ended March 31	
(*CA$ thousands)*	**2025**	2024
Net loss before income taxes	**(278)**	(2,202)
Canadian statutory tax rate (1)	**23.0%**	23.0%
Expected income tax recovery	**(64)**	(506)
Increase resulting from:		
Non-deductible expenses (2)	**180**	295
Deferred income tax expense (recovery)	**116**	(211)
Current income tax expense	**-**	-
Income tax expense (recovery)	**116**	(211)

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

(2) Non-deductible expenses primarily relates to share-based compensation expense (note 10c).

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, 2024	Recognized in net income	Recognized in balance sheet	**Balance at Mar 31, 2025**
Derivative financial instruments	(424)	870	-	**446**
Accelerated tax basis depreciation	(23,427)	(1,145)	(108)	**(24,680)**
Decommissioning obligations	9,559	289	108	**9,956**
Leases	-	-	-	**-**
Share and debt issue costs	992	(49)	-	**943**
Non-capital losses ("NCLs") (1)	8,094	(81)	-	**8,013**
Deferred income tax liability	(5,206)	(116)	-	**(5,322)**

(*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 2045.

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 2045 and has recognized the deferred tax asset related to NCLs.

12. OIL AND GAS SALES, NET OF ROYALTIES

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

	Three months ended March 31	
(*CA$ thousands*)	**2025**	2024
Oil and gas sales		
Crude oil	**22,497**	14,587
Natural gas liquids	**3,750**	3,513
Natural gas	**8,438**	6,330
Oil and gas sales	**34,685**	24,430
Royalties	**(3,381)**	(2,018)
Oil and gas sales, net of royalties	**31,304**	22,412

13. 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):

	Three months ended March 31	
(*CA$ thousands*)	**2025**	2024
Interest and fees on bank debt	**621**	87
Financing cost of lease liabilities	**-**	2
Accretion of decommissioning obligations	**341**	235
Financing expenses	**962**	324
Interest income	**-**	(636)
Financing expenses (income)	**962**	(312)

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
(*CA$ thousands*)	**2025**	2024
Accounts receivable	**(16,917)**	7,822
Prepaid expenses and deposits	**(1,943)**	(665)
Accounts payable and accrued liabilities	**45,821**	10,406
Foreign exchange	**(19)**	7
Change in non-cash working capital	**26,942**	17,570
Relating to:		
Operating activities	**(185)**	6,955
Financing activities	**(128)**	-
Investing activities	**27,255**	10,615
Change in non-cash working capital	**26,942**	17,570
Cash payments in respect of:		
Interest and fees on bank debt	**440**	142
Income taxes	**-**	-

15. 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 March 31, 2025, the Company considers its capital structure to include shareholders' equity, bank debt and working capital. Logan uses "Net Debt" as a capital management measure and is calculated by the Company as bank debt, net of "Adjusted Working Capital". Net Debt 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)	**March 31, 2025**	December 31, 2024
Cash	**(201)**	(324)
Accounts receivable	**(29,998)**	(13,081)
Prepaid expenses and deposits	**(3,455)**	(1,512)
Accounts payable and accrued liabilities	**87,250**	41,429
Adjusted Working Capital deficit	**53,596**	26,512
Bank debt	**38,917**	1,303
Net Debt	**92,513**	27,815
Total shareholders' equity	**275,744**	275,357

Logan had Net Debt of $92.5 million as at March 31, 2025. Net Debt increased compared to Net Debt of $27.8 million at December 31, 2024, primarily due to capital expenditures which exceeded cash flow provided by operating activities during the period. During the three months ended March 31, 2025, the Company utilized the net proceeds of $16.6 million from dispositions, borrowings under its credit facilities and $15.7 million in cash provided by operating activities to fund the Company's exploration and development capital expenditures of $96.3 million and acquisition costs of $0.9 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)*	**March 31, 2025**	December 31, 2024
Cash provided by operating activities	**15,695**	12,004
Change in non-cash operating working capital	**185**	4,285
Add back: transaction costs	**103**	400
Adjusted Funds Flow for the quarter	**15,983**	16,689
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow	**63,932**	66,756
Net Debt	**92,513**	27,815
Net Debt to Annualized AFF Ratio	**1.4 x**	0.4 x

As at March 31, 2025, Logan had Net Debt of $92.5 million, which is approximately 1.4 times the Company's Annualized Adjusted Funds Flow for the first quarter of 2025. 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 March 31, 2025, the Company's

Net Debt of $92.5 million represented 74% of the authorized borrowing amount available under the Credit Facilities of $125.0 million (note 9). Subsequent to the quarter, the authorized borrowing amount was increased to $150.0 million (note 17).

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 anticipated closing of the Facility Interest Sale (note 5) 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 March 31, 2025, the Company is not subject to any externally imposed capital requirements other than the covenants under its bank credit facilities, to which Logan is in full compliance (note 9).

16. COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of March 31, 2025:

(CA$ thousands)	2025	2026	2027	2028	2029	Thereafter
Gas transportation (1)	6,506	5,586	6,850	12,956	12,440	50,142
Liquids transportation (2)	177	59	-	-	-	-
Processing fees (3)	5,703	7,638	5,018	6,050	4,138	17,889
Capital commitments (4)	-	37,970	-	-	-	-
Total commitments (5)	**12,386**	**51,253**	**11,868**	**19,006**	**16,578**	**68,031**

(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. Subsequent to the reporting period, firm volumes under the contract were increased resulting in a total commitment of $0.6 million for the April 2025 – March 2026 contract term.

(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 $2.0 million that may become payable in February 2028.

(4) Pursuant to the GORR Sale (note 5), Logan entered into a commitment to spend a minimum of $50.0 million to drill and complete wells on the gross overriding royalty lands in the Pouce Coupe area prior to December 31, 2026, of which $38.0 million was remaining as at March 31, 2025.

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

17. SUBSEQUENT EVENTS

Amendments to Credit Facilities

The Lender completed its annual borrowing base review and increased the Company's total available credit capacity from $125.0 million to $150.0 million effective May 14, 2025. Key amendments to the Company's Credit Facilities are summarized as follows:

- the borrowing base available under the revolving credit facility was expanded from $75.0 million to $150.0 million, replacing the $50.0 million Term Facility due April 3, 2027 which has been cancelled;
- the Revolving Credit Facility, as amended, is comprised of a $25.0 million operating facility and a $125.0 million loan facility;
- the current revolving period was extended to April 3, 2026, with a term-out to April 3, 2027 if not renewed;
- the "Net Debt to EBITDA" financial covenant was eliminated and there are no financial covenants under the amended Credit Facilities; and
- subject to certain utilization thresholds, the Lender may require a minimum level of hedging if certain criteria are met.