LOGAN

ENERGY CORP.

ANNUAL FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

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, 2025 and 2024, 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, 2025 and 2024;
- the statements of net income and comprehensive income 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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, 2025. These matters were addressed in 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 crude oil and natural gas reserves on net development and production (D&P) assets Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and note 7 – Property, plant and equipment to the financial statements. The Company had $421 million of net D&P assets as at December 31, 2025. Depletion and depreciation expense for the D&P assets was $63 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 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 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 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.

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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants
Calgary, Alberta
March 18, 2026

LOGAN ENERGY CORP.
STATEMENTS OF FINANCIAL POSITION

(CA$ thousands)	[Note]	**December 31, 2025**	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		**47**	324
Accounts receivable	[4]	**19,601**	13,081
Prepaid expenses and deposits		**1,547**	1,512
Derivative financial instruments	[4]	**9,119**	2,329
Total current assets		**30,314**	17,246
Derivative financial instruments	[4]	**928**	92
Exploration and evaluation assets	[5,6]	**46,672**	35,297
Property, plant and equipment	[5,7]	**437,968**	312,815
Total assets		**515,882**	365,450
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	[4]	**30,911**	41,429
Derivative financial instruments	[4]	**-**	576
Provisions and other liabilities	[8]	**3,589**	1,814
Total current liabilities		**34,500**	43,819
Bank debt	[9]	**78,908**	1,303
Provisions and other liabilities	[8]	**68,500**	39,765
Deferred income tax liability	[11]	**16,096**	5,206
Total liabilities		**198,004**	90,093
SHAREHOLDERS' EQUITY			
Share capital	[10]	**254,596**	254,596
Warrants	[10]	**9,790**	9,790
Contributed surplus		**10,262**	5,519
Retained earnings		**43,230**	5,452
Total shareholders' equity		**317,878**	275,357
Total liabilities and shareholders' equity		**515,882**	365,450
Commitments	[16]		
Subsequent events	[18]		

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	Director

LOGAN ENERGY CORP.
STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

(CA$ thousands, except per share amounts)	[Note]	Year ended December 31 **2025**	2024
Revenue			
Oil and gas sales	[12]	**171,778**	110,536
Royalties	[12]	**(12,383)**	(9,628)
Oil and gas sales, net of royalties		**159,395**	100,908
Processing and other		**4,332**	3,333
		163,727	104,241
Gain on derivative financial instruments	[4]	**19,852**	3,529
Expenses			
Operating		**46,236**	37,916
Transportation		**9,126**	8,879
General and administrative		**6,903**	5,594
Share based compensation	[10]	**4,743**	4,959
Financing expenses	[13]	**8,228**	893
Exploration and evaluation	[6]	**1,098**	213
Depletion and depreciation	[7]	**63,949**	41,546
Gain on sale of assets	[5,8]	**(5,514)**	-
Transaction costs	[5]	**127**	400
Foreign exchange loss (gain)		**15**	(28)
		134,911	100,372
Net income before income taxes		**48,668**	7,398
Deferred income tax expense	[11]	**10,890**	2,843
Net income and comprehensive income		**37,778**	4,555
Net income per share			
Basic and diluted	[10]	**0.06**	0.01

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 income and comprehensive income		**-**	**-**	**-**	**37,778**	**37,778**
Share based compensation expense	[10]	**-**	**-**	**4,743**	**-**	**4,743**
Balance at December 31, 2025		**254,596**	**9,790**	**10,262**	**43,230**	**317,878**
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	[10]	95,001	-	-	-	95,001
Issue costs, net of deferred tax	[10]	(3,274)	-	-	-	(3,274)
Share based compensation expense	[10]	-	-	4,959	-	4,959
Balance at December 31, 2024		254,596	9,790	5,519	5,452	275,357

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]	**2025**	2024
Operating activities			
Net income		**37,778**	4,555
Items not affecting cash:			
Unrealized gain on derivatives	[4]	**(8,202)**	(1,845)
Unrealized foreign exchange loss (gain)		**18**	(25)
Share based compensation		**4,743**	4,959
Financing	[13]	**1,965**	993
Exploration and evaluation		**1,098**	213
Depletion and depreciation		**63,949**	41,546
Gain on sale of assets	[5,8]	**(5,514)**	-
Deferred income tax expense		**10,890**	2,843
Settlement of decommissioning obligations	[8]	**(913)**	(720)
Change in non-cash working capital	[14]	**2,160**	(2,088)
Cash provided by operating activities		**107,972**	50,431
Financing activities			
Advances of bank debt, net of costs	[9]	**416,885**	116,053
Repayments of bank debt	[9]	**(339,880)**	(114,750)
Issue of common shares, net of costs	[10]	**-**	90,749
Lease payments	[8]	**(567)**	(136)
Change in non-cash working capital	[14]	**112**	185
Cash provided by financing activities		**76,550**	92,101
Investing activities			
Exploration and evaluation assets	[6]	**(16,874)**	(33,259)
Property, plant and equipment	[7]	**(191,373)**	(117,984)
Property acquisitions	[5]	**(854)**	(60,597)
Property dispositions	[5]	**43,626**	-
Change in non-cash working capital	[14]	**(19,324)**	15,643
Cash used in investing activities		**(184,799)**	(196,197)
Net change in cash and cash equivalents		**(277)**	(53,665)
Foreign exchange on cash and cash equivalents		**-**	19
Cash and cash equivalents, beginning of year		**324**	53,970
Cash and cash equivalents, end of year		**47**	324

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 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 900, 355 – 4th Avenue S.W., Calgary, Alberta T2P 0J1 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 annual financial statements as at December 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").

The Company's Board of Directors approved these Financial Statements on March 18, 2026.

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 discussed below.

i. 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 amount 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.

ii. 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 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, 2025 and December 31, 2024 in accordance with the Canadian Oil and Gas Evaluation Handbook.

iii. 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.

iv. 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. 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.

v. 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.

As at December 31, 2025, Logan has one CGU, namely: "Alberta", comprised primarily of the Company's Simonette and Pouce Coupe assets located in northwest Alberta. The Company's Flatrock property located in northeastern British Columbia and its Alberta Duvernay assets are currently classified as E&E assets.

vi. 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, 2025 and December 31, 2024.

vii. 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 8 for details of the specific assumptions applied and changes in estimates during the year ended December 31, 2025.

viii. 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, 2025 is provided in note 4. Additionally, the Company applies judgement when reviewing contracts to assess whether they contain an embedded derivative.

ix. 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 to 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 at the time of the transaction. Details of the judgements applied by the Company are provided in note 8.

x. Sale leaseback transaction

Identification of a sale leaseback transaction requires judgement in determining if the associated risks and rewards of the asset have transferred to the counterparty to constitute a sale and if simultaneously entered agreements to access the asset post sale constitute a lease. Consideration is given to the life and income earning potential of the asset, firm capacity access to the asset and operatorship, among other transaction specific factors. Once a sale leaseback transaction is identified, further judgements are required in the measurement of the disposed asset carrying value and recognition of the right-of-use ("ROU") asset, the present value of lease liability and any resulting gain or loss on sale recognized. Management considers cost of the asset disposed, the term of the lease and renewal options, expected magnitude of payments under the lease, specific factors of the agreement and the Company's incremental borrowing rate when estimating the initial recognition of the ROU asset and lease liability. 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 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 and Comprehensive Income.

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 and Comprehensive Income in the period incurred. Impairments of E&E assets are not assessed for reversal.

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

Production generated in the appraisal and evaluation phase, prior to the determination of commercial viability, is credited against the related E&E asset, with a corresponding amount recognized in profit or loss.

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 and Comprehensive Income 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 and Comprehensive Income.

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 and Comprehensive Income.

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 consideration 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 and Comprehensive Income.

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 and Comprehensive Income, 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 10(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.

Stock options are 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.

RSAs are measured at the fair value of the equity instruments at the grant date and is adjusted for estimated forfeiture 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 and Comprehensive Income 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) 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 the Statement of Net Income and Comprehensive Income and disclosure of information, including management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Logan has completed its initial assessment of the presentation impacts of IFRS 18, which will be adopted on its effective date. While IFRS 18 will impact the presentation and disclosure of certain financial information, the adoption of this standard is not expected to have an impact on the Company's financial reporting systems or underlying processes. The Company will continue to monitor the interpretation and application of IFRS 18 ahead of 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. The adoption of this amendment is not expected to have a material impact on the Company's financial statements.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 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 (note 8).

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 Credit Facility (defined in note 9). The Credit Facility permits derivative financial contracts provided that: (i) the contracts are not entered into for solely speculative purposes; (ii) the aggregate quantity hedged, at the time of entering into the contract, does not exceed 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, 2025 and at December 31, 2024, the carrying amount of cash and cash equivalents, accounts receivable, deposits and derivative financial instrument assets 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, 2025**	December 31, 2024
Oil and gas marketers	**15,007**	9,312
Joint venture partners	**3,315**	1,749
GST input tax credits	**-**	853
Settlements on derivative financial instruments	**1,279**	115
Other receivables	**-**	1,052
Accounts receivable	**19,601**	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 December 31, 2025	**17,962**	**1,611**	**8**	**20**	**19,601**
Balance at December 31, 2024	12,383	303	380	15	13,081

During the year ended December 31, 2025, sales to five oil and gas marketers represented more than 10% of revenue. Sales to these five marketers account for approximately 92% of total oil and gas sales revenue (before royalties) in the year ended December 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 revenue receivables 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 accounts receivable balances as at December 31, 2025 and expects the accounts to be collectible, with exception to approximately $0.2 million of accounts receivable provided for in the expected credit loss provision as at December 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 December 31, 2025, Logan's financial liabilities include accounts payable and accrued liabilities, lease liabilities and bank debt.

Logan's existing capital resources, including future cash provided by operating activities together with undrawn capacity under its bank credit facility (note 9, 15), 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 as at December 31, 2025:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	30,911	-	-	-	30,911
Credit Facility [(1)] (note 9)	5,599	81,434	-	-	87,033
Undiscounted lease liabilities (note 8)	3,619	7,221	6,996	32,937	50,773
Total	**40,129**	**88,655**	**6,996**	**32,937**	**168,717**

(1) Includes interest and standby fees at annual rates of 6.7% and 0.8%, respectively, being the applicable rates on the Credit Facility (defined in note 9) as at December 31, 2025. For purposes of the above table, principal repayment is assumed on the term maturity date of April 3, 2027. See note 18 "Subsequent events" for details of upsized Credit Facility and extension of maturity date to March 10, 2028.

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, 2025:

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
Crude oil – swap	2,000 bbls/d	WTI	CA$85.57 per barrel	January 1 to June 30, 2026
Crude oil – swap	1,000 bbls/d	WTI	CA$84.11 per barrel	July 1 to December 31, 2026
Natural gas – swap	28,500 GJ/d	AECO	CA$3.06 per GJ	January 1 to March 31, 2026
Natural gas – swap	30,000 GJ/d	AECO	CA$2.82 per GJ	April 1 to October 31, 2026
Natural gas – swap	30,000 GJ/d	AECO	CA$3.50 per GJ	November 1, 2026 to March 31, 2027
Natural gas – swap	15,000 GJ/d	AECO	CA$2.64 per GJ	April 1 to October 31, 2027
Natural gas – swap	10,000 GJ/d	AECO	CA$3.33 per GJ	November 1, 2027 to March 31, 2028

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
Crude oil – swap	1,000 bbls/d	WTI	CA$82.50 per barrel	February 1 to December 31, 2026
Crude oil – swap	1,000 bbls/d	WTI	CA$84.28 per barrel	July 1 to December 31, 2026
Crude oil – swap	1,000 bbls/d	WTI	US$70.65 per barrel	January 1 to December 31, 2027

The following table summarizes the fair value of the Company's risk management contracts as at December 31, 2025 and the change in fair value compared to December 31, 2024:

(CA$ thousands)	Crude oil	Natural gas	Total
Net derivative asset (liability), beginning of year	(107)	1,952	1,845
Unrealized change in fair value	4,007	4,195	8,202
Net derivative asset, end of year	**3,900**	**6,147**	**10,047**
Derivative financial instrument assets, end of year	**3,900**	**6,147**	**10,047**
Derivative financial instrument liabilities, end of year	**-**	**-**	**-**

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, 2025:

(CA$ thousands)	Change in price	Positive movement	Negative movement
AECO	+/- CA$0.25 per GJ	(4,561)	4,561
WTI	+/- CA$5.00 per barrel	(2,730)	2,730

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. The Company has commodity price risk management contracts in place which are denominated in Canadian dollars to indirectly mitigate foreign exchange risk.

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 Facility (note 9), interest rates fluctuate based on the bank prime rate plus an applicable margin. Based on the balance of bank debt drawn of $80.1 million as at December 31, 2025, a change in the market rate of interest by 50 basis points would increase (decrease) annualized interest expense by approximately $0.4 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 years:

	Year ended December 31	
(CA$ thousands)	**2025**	2024
Realized gain	**11,650**	1,684
Unrealized gain	**8,202**	1,845
Gain on derivative financial instruments	**19,852**	3,529

Logan recognized a total gain on derivative financial instruments of $19.9 million during the year ended December 31, 2025, comprised of $11.7 million of net realized gains together with unrealized gains of $8.2 million on the change in fair value of outstanding contracts during the year. The change in fair value resulted primarily due to the weakened

outlook for crude oil and natural gas prices in the near term, which increased the fair value of both oil and gas hedges at December 31, 2025.

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, 2025	Gross	Netting	Net CV
Financial assets			
Derivative financial instruments	**10,047**	**-**	**10,047**
Financial liabilities			
Derivative financial instruments	**-**	**-**	**-**

(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

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 to sell a 35% non-operated working interest in Logan's newly constructed Pouce Coupe 4-19 gas plant, compressor station and oil battery (the "Pouce 4-19 Facility") for combined gross proceeds of $43.0 million.

The Company 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 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. As of December 31, 2025, Logan has fully satisfied this commitment with its existing capital expenditure budget and has no further drilling commitments.

On May 30, 2025, Logan closed the sale of a 35% non-operated working interest in the Pouce 4-19 Facility to Topaz for gross cash proceeds of $26.0 million (the "Facility Interest Sale"). Logan retained operatorship and the remaining 65% working interest. At closing, Logan entered into a long-term take-or-pay commitment with Topaz to access their working interest capacity. Monthly fees under the take-or-pay are based on a sliding scale structure with reference to natural gas pricing. The Facility Interest Sale has been accounted for as a sale leaseback transaction, refer to additional information in note 8a).

(CA$ thousands)	**GORR Sale**	**Facility Interest Sale**
Gross proceeds	17,000	26,000
Closing adjustments	(356)	-
Cash proceeds, after closing adjustments	**16,644**	**26,000**
Disposition of property, plant and equipment (note 7)	7,585	13,748
Deferred gain (note 8)	9,059	-
Recognition of ROU asset (note 7)	-	(13,748)
Recognition of lease liability (note 8)	-	26,000
Carrying value of net assets disposed	**16,644**	**26,000**

BC Legacy Property Disposition

On September 30, 2025, Logan closed a disposition of certain non-core assets located in northeastern British Columbia for cash consideration of $0.4 million after estimated closing adjustments. The carrying amount of the PP&E disposed was nominal and the property had associated decommissioning obligations with a carrying amount of $4.0 million ($4.7 million undiscounted and uninflated). As a result, the Company recognized a gain on sale of assets of $4.4 million on the transaction. During the nine months ended September 30, 2025, the Company recognized a net operating loss of $0.4 million related to these assets. “Operating income” does not have a standardized meaning under IFRS Accounting Standards. For purposes of this disclosure, the Company has calculated operating income as revenue (after royalties), less operating and transportation expenses.

Other dispositions

Logan also completed minor dispositions of other non-core assets for total proceeds of $0.5 million during the year ended December 31, 2025.

2025 Acquisitions

Logan completed minor property acquisitions during the year ended December 31, 2025, for aggregate cash consideration of approximately $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 “2024 Acquisition”). The acquisition of the GORR reduced future royalty expenses following closing, 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.

See also, note 18 “Subsequent events” for details regarding the subsequent acquisition of the remaining 50% working interest in these joint interest properties.

Logan assessed the 2024 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
Closing adjustments (1)	8,181
Cash consideration, after closing adjustments	**60,181**
Exploration and evaluation assets	5,860
Property, plant and equipment	58,865
Decommissioning obligations	(1,984)
Deferred capital obligation (2)	(2,560)
Fair value of net assets acquired (1)	**60,181**

(1) Includes $0.1 million of proceeds from favourable final closing adjustments during the year ended December 31, 2025.

(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 of $2.6 million was fully incurred by Logan as of December 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 2024 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 and Comprehensive Income for the year ended December 31, 2024 only includes the results of operations related to the 2024 Acquisition from the closing date, December 17, 2024 through December 31, 2024. For purposes of this pro-forma disclosure, the Company has calculated operating income as revenue (after royalties), less operating and transportation expenses. If the 2024 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 2024 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 years:

(CA$ thousands)	**December 31, 2025**	December 31, 2024
Balance, beginning of year	**35,297**	16,335
Additions	**16,874**	33,259
Acquisitions (note 5)	**1,390**	6,142
Dispositions (note 5)	**(450)**	-
Transfers to PP&E (note 7)	**(5,341)**	(20,226)
Expired mineral leases [(1)]	**(399)**	(213)
Exploration production expense [(1)]	**(699)**	-
Balance, end of year	**46,672**	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 December 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 years:

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 (note 5)	**191,373**	**14,073**	**205,446**
Acquisitions (note 5) [(2)]	**(106)**	**-**	**(106)**
Dispositions [(1)] (note 5, 8)	**(26,324)**	**(52)**	**(26,376)**
Changes in decommissioning cost (note 8)	**(3,732)**	**-**	**(3,732)**
Transfers from E&E (note 6)	**5,341**	**-**	**5,341**
Remeasurement [(3)]	**-**	**3,599**	**3,599**
Balance at December 31, 2025	**578,803**	**17,672**	**596,475**

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	**63,316**	**633**	**63,949**
Dispositions [(1)] (note 5, 8)	**(4,878)**	**(52)**	**(4,930)**
Balance at December 31, 2025	**157,886**	**621**	**158,507**

Net carrying value	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2024	312,803	12	312,815
Balance at December 31, 2025	**420,917**	**17,051**	**437,968**

(1) ROU Asset dispositions relates to ROU assets under leases that expired in the years ended December 31, 2025 and December 31, 2024.

(2) During the year ended December 31, 2025, includes $0.1 million of proceeds from favourable closing adjustments on property acquisitions completed in the previous year.

(3) Remeasurement of Pouce 4-19 Facility take-or-pay lease due to variable reference pricing. See note 8(a) for additional information.

Future development capital expenditures required to develop total proved plus probable reserves in the amount of $1.5 billion are included in the depletion calculation for D&P assets for the three months ended December 31, 2025 ($1.1 billion at December 31, 2024). Capital expenditures related to construction of the Pouce 4-19 Facility, net of the disposed carrying value, were included in the depletion calculation for the second half of 2025, as the facility was commissioned during the second quarter (note 5). As at December 31, 2024, capital expenditures of $13.9 million related to the Pouce 4-19 Facility were excluded from the depletion calculation as the facility was under construction during the prior period.

Logan assessed its PP&E for indicators of potential impairment and concluded there were no indicators of impairment as at December 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)	**December 31, 2025**	December 31, 2024
Lease liabilities	**29,371**	14
Decommissioning obligations	**34,802**	41,565
Deferred gain	**7,916**	-
Balance, end of year	**72,089**	41,579
Expected to be settled within one year	**3,589**	1,814
Expected to be settled beyond one year	**68,500**	39,765

a) Lease liabilities

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

(CA$ thousands)	**December 31, 2025**	December 31, 2024
Lease liabilities [(1)]		
Balance, beginning of year	**14**	150
Additions	**26,325**	-
Lease payments	**(1,890)**	(140)
Financing cost (note 13)	**1,323**	4
Remeasurement	**3,599**	-
Balance, end of year	**29,371**	14
Expected to be settled within one year	**1,181**	14
Expected to be settled beyond one year	**28,190**	-

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

As at December 31, 2025, the Company's lease liability is primarily comprised of the Pouce 4-19 Facility lease and its head office lease.

The Facility Interest Sale (note 5) closed on May 30, 2025, and was accounted for as a sale leaseback transaction, with a lease liability and ROU asset recognized accordingly. A lease liability of $26.0 million was recognized based on the present value of the expected lease payments over the term of the take-or-pay commitment at closing, discounted at Logan's incremental borrowing rate of 8.8%. A ROU asset of $13.7 million (note 7) was recognized equal to the carrying value of the disposed 35% interest in the Pouce 4-19 Facility, resulting in no gain (or loss) on disposition. As the monthly fees under the take-or-pay are based on a sliding scale structure with reference to natural gas pricing, the lease liability is revalued at each period end based on the then current natural gas price. Adjustments to the lease liability recognized are offset to the ROU asset. Remeasurement based on pricing as at December 31, 2025, resulted in an increase to the reported lease liability by $3.6 million.

At December 31, 2025, an increase (decrease) of $0.25 per GJ would increase (decrease) annual lease payments by $0.2 million and the lease liability by $1.7 million, based on movements within the sliding scale structure of the fees. During the second quarter of 2025, Logan entered into a new head office lease with a term of three years ending November 30, 2028. The present value of the minimum lease payments resulted in recognition of a lease liability and corresponding ROU asset in the amount of $0.3 million.

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 $2.6 million during the year ended December 31, 2025 ($1.7 million during the year ended December 31, 2024).

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, 2025**	December 31, 2024
Decommissioning obligations		
Balance, beginning of year	**41,565**	31,327
Obligations incurred	**1,761**	1,119
Obligations acquired (note 5)	**470**	2,115
Discount rate adjustment on obligations acquired (note 5)	**-**	2,398
Obligations disposed (note 5)	**(4,293)**	-
Obligations settled	**(913)**	(720)
Changes in discount rate	**(3,183)**	(1,551)
Changes in estimates	**(1,970)**	5,884
Accretion (note 13)	**1,365**	993
Balance, end of year	**34,802**	41,565
Expected to be settled within one year	**1,680**	1,800
Expected to be settled beyond one year	**33,122**	39,765

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at December 31, 2025, the total undiscounted amount of the estimated cash flows required to settle the obligation is $48.5 million ($52.0 million as of December 31, 2024), of which, Logan expects to incur approximately $29.4 million over the next 20 years, $19.1 million in 20 to 50 years and the residual thereafter. The estimated inflated undiscounted future cash flows required to settle the obligation is $77.5 million at December 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 December 31, 2025, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.9% (3.3% at December 31, 2024).

Key assumptions used in measuring the decommissioning obligations include the inflation rate and risk-free rate, which are subject to uncertainty. Changes in these assumptions would have the following impact on the decommissioning obligations:

(CA$ thousands)	Change in rate	Positive movement	Negative movement
Inflation rate	+/- 25 basis points	1,478	(1,382)
Risk-free rate	+/- 25 basis points	(1,355)	1,455

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 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)	**December 31, 2025**	December 31, 2024
Deferred gain		
Balance, beginning of year	**-**	-
GORR Sale (note 5)	**9,059**	-
Gain recognized in net income	**(1,143)**	-
Balance, end of year	**7,916**	-
Expected to be settled within one year	**728**	-
Expected to be settled beyond one year	**7,188**	-

9. BANK DEBT

(CA$ thousands)	**December 31, 2025**	December 31, 2024
Bank loan	**80,067**	2,150
Unamortized issue costs	**(1,159)**	(847)
Bank debt	**78,908**	1,303

a) Bank debt

The Company has a revolving committed term credit facility led by National Bank of Canada and syndicated with Bank of Montreal, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia and The Toronto-Dominion Bank (collectively, the "Lenders" and the "Credit Facility"). As at December 31, 2025, the authorized borrowing amount available under the Credit Facility was $150.0 million, comprised of a $25.0 million operating facility and a $125.0 million loan facility. Subsequent to the reporting period, the Lenders completed the annual borrowing base review and increased the authorized borrowing amount from $150.0 million to $250.0 million effective March 10, 2026 (note 18). The amended Credit Facility has a two-year revolving period maturing March 10, 2028 (previously April 3, 2027).

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 next scheduled borrowing base review is set to occur on or before November 30, 2026. 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 term maturity date, provided the Company is in compliance with all covenants, representations and warranties.

The Credit Facility is 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 Facility bears 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 facility which also fluctuate based on the pricing grid.

As at December 31, 2025, the Company was not subject to any financial covenants, however the Credit Facility does include other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements. As at December 31, 2025 and as of the date hereof, Logan is in

compliance with all covenants. Pursuant to the terms of the amended credit agreement (note 18), the following financial covenants will apply until completion of the next borrowing base review:

- for the fiscal quarter ended March 31, 2026, the Senior Debt to EBITDA ratio may not exceed 2.00:1.00;
- for the fiscal quarter ended June 30, 2026, the Senior Debt to EBITDA ratio may not exceed 2.00:1.00; and
- for the fiscal quarter ended September 30, 2026, the Senior Debt to EBITDA ratio may not exceed 2.25:1.00.

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, 2025, the Company had $4.2 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 bank debt during the years:

(CA$ thousands)	**December 31, 2025**	December 31, 2024
Balance, beginning of year	**1,303**	-
Advances	**417,797**	116,900
Repayments	**(339,880)**	(114,750)
Issue costs incurred	**(912)**	(1,094)
Amortization of issue costs	**600**	307
Reclassification of unamortized issue costs	**-**	(60)
Bank debt, end of year	**78,908**	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 December 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 December 31, 2025 (1)	**595,675**	**254,596**

(1) Subsequent to the reporting period, the Company issued 95.9 million common shares at an issue price of $0.73 per share (note 18).

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 2024 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 December 31, 2025	**64,286**	**9,790**	**0.35**

As at December 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)]	**20,075**	**0.65**
Forfeited	**(8)**	**(0.89)**
Balance at December 31, 2025	**42,670**	**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:

	Year ended December 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	**2.3%**	-
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 December 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)
$0.55 - $0.88	20,075	4.2	0.65	-	-
$0.89	22,595	2.9	0.89	15,063	0.89
Total	**42,670**	**3.5**	**0.78**	**15,063**	**0.89**

The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the year ended December 31, 2025 was $0.72 per share ($0.82 per share for the year ended December 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 December 31, 2025, no share awards had been granted under Logan's share award incentive plan. Subsequent to the reporting period, Logan's Board of Directors approved the grant of 6.8 million RSAs (note 18).

f) Share based compensation expense

The following table summarizes the components of the Company's share based compensation expense as presented in the Statements of Net Income and Comprehensive Income:

	Year ended December 31	
(*CA$ thousands)*	**2025**	2024
Stock options	**4,743**	4,959
Share based compensation expense	**4,743**	4,959

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 per share for the year ended December 31, 2025 and 2024:

	Year ended December 31	
(000s)	**2025**	2024
WA common shares outstanding, basic	**595,675**	484,906
Dilutive effect of warrants [1]	**32,912**	36,899
Dilutive effect of stock options [1]	**29**	-
WA common shares outstanding, diluted	**628,616**	521,805
Net income	**37,778**	4,555
$ per common share, basic and diluted	**0.06**	0.01

(1) Dilutive effect of outstanding securities includes the incremental dilutive impact of the Financing Warrants. Stock options outstanding from the date of grant were modestly dilutive for the year ended December 31, 2025, however, they were excluded from the dilutive effect of outstanding securities during the year ended December 31, 2024 as the stock options were not dilutive based on the treasury stock method.

11. INCOME TAXES

As at December 31, 2025, total tax pools available to the Company are estimated to be $352.4 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 and Comprehensive Income:

	Year ended December 31	
(*CA$ thousands)*	**2025**	2024
Net income before income taxes	**48,668**	7,398
Canadian statutory tax rate [1]	**23.0%**	23.0%
Expected income tax expense	**11,194**	1,702
Increase resulting from:		
Non-deductible expenses [2]	**1,092**	1,141
Non-taxable portion of capital gain [3]	**(1,396)**	-
Deferred income tax expense	**10,890**	2,843
Current income tax expense	**-**	-
Income tax expense	**10,890**	2,843

(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).

(3) Non-taxable portion of capital gain relates to the Facility Interest Sale (note 5).

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 Dec 31, 2025**
Derivative financial instruments	(424)	(1,887)	-	**(2,311)**
Accelerated tax basis depreciation	(23,427)	(9,548)	(108)	**(33,083)**
Decommissioning obligations	9,559	(1,663)	108	**8,004**
Leases	-	2,834	-	**2,834**
Share and debt issue costs	992	(397)	-	**595**
Non-capital losses	8,094	(229)	-	**7,865**
Deferred income tax liability	**(5,206)**	**(10,890)**	**-**	**(16,096)**

(*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	3,493	4,601	-	**8,094**
Deferred income tax liability	**(3,341)**	**(2,843)**	**978**	**(5,206)**

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 non-capital losses which expire in years 2043 to 2045 and has recognized the deferred tax asset related to non-capital losses.

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:

	Year ended December 31	
(*CA$ thousands*)	**2025**	2024
Oil and gas sales		
Crude oil	**122,411**	78,019
Natural gas liquids	**17,576**	13,860
Natural gas	**31,791**	18,657
Oil and gas sales	**171,778**	110,536
Royalties	**(12,383)**	(9,628)
Oil and gas sales, net of royalties	**159,395**	100,908

13. FINANCING

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

	Year ended December 31	
(*CA$ thousands*)	**2025**	2024
Interest and fees on bank debt	**5,540**	969
Financing cost of lease liabilities	**1,323**	4
Accretion of decommissioning obligations	**1,365**	993
Financing expenses	**8,228**	1,966
Interest income	**-**	(1,073)
Financing expenses	**8,228**	893

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended December 31	
(*CA$ thousands*)	**2025**	2024
Accounts receivable	**(6,520)**	599
Prepaid expenses and deposits	**(35)**	10
Accounts payable and accrued liabilities	**(10,518)**	15,725
Working capital acquired	**40**	(2,600)
Foreign exchange	**(19)**	6
Change in non-cash working capital	**(17,052)**	13,740
Relating to:		
Operating activities	**2,160**	(2,088)
Financing activities	**112**	185
Investing activities	**(19,324)**	15,643
Change in non-cash working capital	**(17,052)**	13,740
Cash payments in respect of:		
Interest and fees on bank debt	**5,221**	1,678
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 December 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 assets less current liabilities, 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, 2025**	December 31, 2024
Cash	**(47)**	(324)
Accounts receivable	**(19,601)**	(13,081)
Prepaid expenses and deposits	**(1,547)**	(1,512)
Accounts payable and accrued liabilities	**30,911**	41,429
Adjusted Working Capital deficit	**9,716**	26,512
Bank debt	**78,908**	1,303
Net Debt	**88,624**	27,815
Total shareholders' equity	**317,878**	275,357

Logan had Net Debt of $88.6 million as at December 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 year. During the year ended December 31, 2025, the Company utilized $108.0 million of cash provided by operating activities, $43.6 million of net proceeds from dispositions, and borrowings under its Credit Facility to fund the Company's exploration and development capital expenditures of $208.2 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 Accounting Standards 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, 2025**	December 31, 2024
Cash provided by operating activities	**33,487**	12,004
Change in non-cash operating working capital	**(1,880)**	4,285
Add back: transaction costs	**-**	400
Adjusted Funds Flow for the quarter	**31,607**	16,689
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow	**126,428**	66,756
Net Debt	**88,624**	27,815
Net Debt to Annualized AFF Ratio	**0.7 x**	0.4 x

As at December 31, 2025, Logan had Net Debt of $88.6 million, which is approximately 0.7 times the Company's Annualized Adjusted Funds Flow for the fourth 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 December 31, 2025, the Company's Net Debt of $88.6 million represented 59% of the authorized borrowing amount available under the Credit

Facility of $150.0 million (note 9). The authorized borrowing amount was subsequently increased to $250.0 million (note 18).

Logan is well positioned to execute on its short and longer term growth strategy. Future exploration and development capital expenditures are expected to be funded by cash provided by operating activities and borrowings under the Credit Facility. In order to maintain or adjust its capital structure in the future, the Company may issue new common shares or other equity securities, issue debt, adjust capital expenditures and acquire or dispose of assets. Refer to note 18 “Subsequent events” for details regarding an acquisition and concurrent equity financings completed to date in 2026.

As at December 31, 2025, the Company is not subject to any externally imposed capital requirements other than the covenants under its bank Credit Facility, to which Logan is in full compliance (note 9).

16. COMMITMENTS

The following table summarizes the Company’s contractual commitments as of December 31, 2025:

(CA$ thousands)	2026	2027	2028	2029	2030	Thereafter
Gas transportation (1)	5,886	6,087	11,910	11,636	11,600	35,933
Liquids transportation (2)	149	-	-	-	-	-
Processing fees (3)	7,638	5,018	5,721	4,138	3,592	14,297
Capital (4)	2,970	-	-	-	-	-
Operating (5)	222	222	203	-	-	-
Total commitments (6)	**16,865**	**11,327**	**17,834**	**15,774**	**15,192**	**50,230**

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

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

(3) Processing fee commitments relate to the following agreements: (i) firm capacity for natural gas gathering and processing at the NorthRiver Fourth Creek and Gordondale East gas plants until March 2027; (ii) firm capacity for natural gas gathering and processing at the CSV Simonette Gas Plant until September 2040; and (iii) and a commitment to make-whole, in the event of a shortfall (if any) on partner capital recovery on certain projects at the CSV Simonette Gas Plant, of up to $1.6 million that may become payable in February 2028.

(4) Relates to long-lead equipment and pipeline ordered during the year ended December 31, 2025, which will be delivered and available for use in the Company’s 2026 capital program.

(5) Includes operating costs and property tax on the Company’s office space.

(6) 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. RELATED PARTY DISCLOSURES

a) Related party transactions

During the year ended December 31, 2025, the Company incurred $0.3 million of legal fees to a law firm where the corporate secretary of the Company is a partner (2024 – $0.9 million). The fees are primarily related to general corporate matters. As at December 31, 2025, there are no significant amounts outstanding in the balance of accounts payable and accrued liabilities (2024 – $0.5 million).

Directors and officers of the Company participated under the president's list in the 2024 Private Placements for an aggregate subscription of approximately $7.3 million (note 10). Directors and officers also participated under the president's list in the 2026 Equity Financings for an aggregate subscription of approximately $2.0 million.

b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers, board of directors and corporate secretary. The following table summarizes actual and estimated allocated management compensation paid or payable during the years ended December 31, 2025 and 2024.

	Year ended December 31	
(*CA$ thousands)*	**2025**	2024
Salaries and benefits	**3,013**	2,652
Directors fees	**168**	168
Share based compensation (1)	**3,123**	2,556
Total key management compensation	**6,304**	5,376

(1) During the year ended December 31, 2025, key management personnel were granted 13.5 million stock options with an exercise price of $0.64 per share. No stock options were granted during the year ended December 31, 2024.

18. SUBSEQUENT EVENTS

Acquisition

On March 10, 2026, Logan closed the acquisition of the vendor's entire interest in certain assets located primarily in its core area of Simonette in northwest Alberta for a cash purchase price of $62.5 million before closing adjustments (the "Acquisition"). The Acquisition has an effective date of January 1, 2026, and will be accounted for as a business combination in accordance with IFRS 3. Closing adjustments from the effective date are estimated to be approximately $3.8 million resulting in estimated total cash consideration of $66.3 million. The undiscounted amount of decommissioning obligations acquired pursuant to the Acquisition is estimated to be approximately $17.6 million ($24.7 million inflated at 2.0%).

Logan previously acquired a 50% operated working interest in the Simonette assets on December 17, 2024 (note 5). The Acquisition strategically consolidates these Montney-focused joint interest partner lands to a 100% working interest and includes incremental Deep Basin lands offsetting Simonette in the Bilbo and Leland areas of Alberta.

Equity Offerings

Concurrent with the Acquisition, on March 10, 2026, Logan closed bought-deal equity financings through a syndicate of underwriters for aggregate gross proceeds of approximately $70.0 million (the "2026 Equity Financings"). Pursuant to which, Logan issued approximately 52.1 million common shares (including exercise of the overallotment option in full) at $0.73 per common share (the "Issue Price") by way of a public offering and 43.8 million common shares at the Issue Price by way of private placement. Aggregate net proceeds of approximately $66.8 million after estimated issue costs were used to repay indebtedness incurred to fund the purchase price for the Acquisition.

Directors and officers participated under the president's list for an aggregate subscription of approximately $2.0 million.

Upsized Credit Facility

Effective March 10, 2026, the Company's Lenders increased the authorized borrowing amount available under the Credit Facility from $150.0 million to $250.0 million. The next scheduled borrowing base review is set to occur on or before November 30, 2026. The amended Credit Facility has a two-year revolving period maturing March 10, 2028 (previously April 3, 2027). The terms of the Credit Facility are substantially unchanged, with the exception that the following financial covenants will apply until completion of the next borrowing base review:

- for the fiscal quarter ended March 31, 2026, the Senior Debt to EBITDA ratio may not exceed 2.00:1.00;
- for the fiscal quarter ended June 30, 2026, the Senior Debt to EBITDA ratio may not exceed 2.00:1.00; and
- for the fiscal quarter ended September 30, 2026, the Senior Debt to EBITDA ratio may not exceed 2.25:1.00.

Share Award Grant

On March 18, 2026, the Company's Board of Directors approved the grant of an aggregate of approximately 6.8 million restricted share awards, of which 5.4 million were granted to officers and directors of the Company. RSAs granted to officers and directors cliff vest on the third anniversary of the grant date. RSAs granted to non-executive employees vest as to one-third on each of the first, second and third anniversaries of the grant date.