CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

As at March 31, 2025 and December 31, 2024
and
For the three months ended March 31, 2025 and 2024

Notice of disclosure of no auditor review of condensed consolidated interim financial statements pursuant to National Instrument 51-02, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying condensed consolidated interim financial statements of Westgate Energy Inc. for the three months ended March 31, 2025 and March 31, 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed consolidated interim financial statements.

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Westgate Energy Inc.

Interim Condensed Consolidated Statements of Financial Position

As at (Canadian dollars)	Note	March 31, 2025	December 31, 2024
		(Unaudited)	***(Audited)***
Assets			
Current assets			
Cash	4	**187,871**	743,536
Accounts receivable	4	**446,580**	428,206
Secured note receivable	4	**50,000**	230,000
Deposits and prepaid expenses		**360,613**	73,799
Inventory		**20,955**	51,204
		1,066,019	1,526,745
Non-current assets			
Restricted cash equivalent	4,6	**499,950**	499,950
Deposit for acquisition	8,17	**700,000**	-
Exploration and evaluation		**2,606,967**	2,606,967
Property and equipment	5	**11,192,805**	10,821,199
Total assets		**16,065,741**	15,454,861
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	4	**1,270,628**	1,251,635
Bank debt	7	**255,000**	-
Convertible debenture	8	**699,175**	-
Other liabilities	10	**167,957**	76,008
Decommissioning obligations	6	**74,796**	74,796
		2,467,556	1,402,439
Non-current liabilities			
Other liabilities	10	**31,485**	44,360
Decommissioning obligations	6	**3,319,744**	3,195,747
Total liabilities		**5,818,785**	4,642,546
Shareholders' equity			
Share capital		**14,100,060**	14,100,060
Warrant reserve	9	**1,369,964**	1,363,508
Contributed Surplus		**212,847**	127,448
Accumulated deficit		**(5,435,915)**	(4,778,701)
Total shareholders' equity		**10,246,956**	10,812,315
Total liabilities and shareholders' equity		**16,065,741**	15,454,861

Commitments (Note 14)
Subsequent events (Note 17)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Approved on behalf of the Board of Directors:

[signed] "*Dan Brown"* — Dan Brown, Director

[signed] "Art Agolli " — Art Agolli, Director

Westgate Energy Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

		Three Months ended March 31,	
(Canadian dollars)	Note	**2025**	2024
		(Unaudited)	*(Unaudited)*
Revenues			
Petroleum and natural gas sales	12	**1,178,437**	730,788
Royalties	12	**(154,972)**	(71,888)
Petroleum and natural gas sales, net of royalties		**1,023,465**	658,900
Processing revenue		**3,383**	364
Total revenue, net of royalties		**1,026,848**	659,264
Expenses and other income			
Operating		**507,023**	382,668
General and administrative	13	**592,026**	530,963
Listing expenses		**-**	324,259
Stock-based compensation	10	**162,799**	-
Depletion and depreciation	5	**392,185**	208,241
Finance expense	13	**35,696**	21,960
Loss in value of secured note receivable	4	**1,522**	-
Interest income		**(7,189)**	(24,003)
Total expenses and other income		**1,684,062**	1,444,088
Loss and comprehensive loss		**(657,214)**	(784,824)
Loss per common share			
Basic and diluted	10	(0.01)	(0.03)

See accompanying notes to the interim condensed consolidated financial statements.

Westgate Energy Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

		Three months ended March 31,	
(Canadian dollars)	Note	**2025**	2024
		(Unaudited)	*(Unaudited)*
Share capital			
Balance, beginning of period		**14,100,060**	7,974,208
Balance, end of the period		**14,100,060**	7,974,208
Warrants			
Balance, beginning of period		**1,363,508**	-
Issuance of warrants	8	**6,456**	-
Balance, end of the period		**1,369,964**	-
Contributed surplus			
Balance, beginning of period		**127,448**	-
Stock-based compensation – equity-based	10	**83,725**	-
Convertible debenture- equity	8	**1,674**	-
Balance, end of the period		**212,847**	-
Accumulated deficit			
Balance, beginning of period		**(4,778,701)**	(1,738,703)
Net loss and comprehensive loss		**(657,214)**	(784,824)
Balance, end of the period		**(5,435,915)**	(2,523,527)
Total shareholders' equity		**10,246,956**	5,450,681

See accompanying notes to the interim condensed consolidated financial statements.

Westgate Energy Inc.
Interim Condensed Consolidated Statements of Cash Flows

		Three months ended March 31,	
(Canadian dollars)	Note	**2025**	2024
		(Unaudited)	*(Unaudited)*
Operating activities			
Loss and comprehensive loss		**(657,214)**	(784,824)
Items not affecting cash:			
Depletion and depreciation	5	**392,185**	208,241
Accretion of decommissioning obligations	6	**26,306**	21,960
Accretion and noncash interest of convertible debenture	8	**7,305**	-
Stock-based compensation – equity-based	10	**83,725**	-
Gain on settlement of accounts payable	4	**1,522**	-
Settlements of decommissioning provisions	6	**-**	(3,434)
Net change in non-cash working capital	16	**(589,313)**	312,741
Cash flows used in operating activities		**(735,484)**	(245,316)
Financing activities			
Convertible Debenture	8	**700,000**	-
Cash acquired on RTO	4	**183,120**	-
Bank debt	7	**255,000**	-
Net Change in non-cash working capital		**-**	11,510
Cash flows provided by financing activities		**1,138,120**	11,510
Investing activities			
Expenditure on property and equipment	5	**(666,100)**	(593,204)
Net change in non-cash working capital	16	**(292,201)**	(1,027,427)
Cash flow used in investing activities		**(958,301)**	(1,620,631)
Increase (decrease) in cash during the period		**(555,665)**	(1,854,437)
Cash – beginning of period		**1,243,486**	3,675,427
Cash and cash equivalents – end of period		**687,821**	1,820,990
Presented as:			
Cash		**187,871**	1,321,040
Restricted Cash	6	**499,950**	499,950
Cash interest received		**12,536**	24,003

See accompanying notes to the interim condensed consolidated financial statements.

1. REPORTING ENTITY

Westgate Energy Inc. (formerly 763997 Alberta Ltd.) (the "Company" or "Westgate") is an oil, natural gas and natural gas liquids ("NGL" or "NGLs") exploration, development and production company with properties located in Western Canada. The Company is traded on the TSX Venture exchange (the "TSXV") under the symbol "WGT" effective June 11, 2024.

On May 23, 2024, 763997 Alberta Ltd. and Grafton Ventures Energy Holdings Corp. ("Grafton") completed a business combination transaction and combined their respective businesses in a reverse takeover transaction ("RTO"). Grafton changed its name to Westgate Energy Operating Ltd. and is a wholly owned subsidiary of Westgate, and was incorporated on March 8, 2021 under the Business Company's Act (Alberta).

Westgate's head office address is located at 420-2020 4th Street SW, Calgary, Alberta, Canada, T2S 1W3.

2. BASIS OF PRESENTATION

These interim condensed consolidated Financial Statements have been prepared in accordance with IFRS® as issued by the International Accounting Standards Board (IASB") and interpretations of the IFRS Interpretations Committee using International Accounting Standard ("IAS") 34: Interim Financial Reporting, except as noted in Note 3. They do not contain all disclosures required by IFRS for annual Financial Statements and, accordingly, should be read in conjunction with the audited consolidated Financial Statements and notes thereto for the year ended December 31, 2024. These interim condensed consolidated Financial Statements have been prepared on a historical cost basis, except for financial instruments which are measured at their estimated fair value and are prepared in Canadian dollars, which is the functional currency of the Company.

These interim condensed consolidated Financial Statements were approved and authorized for issue by the Board of Directors on May 27, 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Changes in Accounting Policies

<u>Convertible debentures</u>

Convertible debenture with both a liability and an equity component(s) are accounted for and presented separately according to their substance based on the definitions of liabilities and equity. The split is made at issuance and not revised for subsequent changes in market interest rates, share prices, or other event that changes the likelihood that the conversion option will be exercised. A financial liability represents the Company's contractual obligation to pay cash, and the other is an equity instrument, representing the holder's option to convert the liability into common shares or share purchase warrants attached to the compound instrument. Warrant value has been determined when the initial carrying amount of a compound financial instrument is required to be allocated to its equity and liability components, the equity component(s) is assigned the residual amount after deducting the fair value of the liability component from the proceeds received for the compound instrument as a whole; or when the residual method is not applicable, utilizing a Black Scholes options pricing model.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments of the Company include cash, restricted cash equivalent, accounts receivable, secured note receivable, accounts payable and accrued liabilities, bank debt and convertible debenture are measured at amortized cost, and other liabilities that are measured at fair value through profit or loss. 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.

As at March 31, 2025 and December 31, 2024, the carrying amounts reported on the statement of financial position approximated the estimated fair values of financial instruments due to the short terms to maturity.

Risks associated with financial assets and liabilities

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as: credit risk; liquidity risk; and market risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from joint venture partners and oil and natural gas marketers. The maximum exposure to credit risk is as follows:

	March 31, 2025	December 31, 2024
Cash	**187,871**	743,536
Restricted cash equivalent	**499,950**	499,950
Accounts receivable		
Oil and natural gas customers	**407,270**	347,320
Oil and gas operators, net of $5,763 allowance	**2,337**	3,430
Government receivable	**34,877**	47,056
Interest and other receivable	**2,096**	30,400
Secured note receivable	**50,000**	230,000
	1,184,401	1,901,692

Cash and restricted cash equivalent
Cash and restricted cash receivable are assets are subject to credit risk exposure and the carrying values reflect management's assessment of the associated maximum exposure to such credit risk. The Company's cash is held within a single major national bank. The restricted cash equivalent is held in Guaranteed Investment Certificate with a major national bank.

Accounts receivable
Substantially all of the Company's accounts receivables are due from customers and partners concentrated in the Canadian oil and gas industry. The Company generally extends unsecured credit to these customers and therefore the collection of accounts receivable may be affected by changes in economic conditions. Management aims to mitigate this risk by dealing with a broad selection of reputable partners within the sector, by reviewing credit ratings of counterparties and partners, and through closely monitoring significant balances. As at March 31, 2025, there were no accounts receivable outstanding for 90 days or more except the amounts related to the allowance for doubtful accounts.

Accounts receivables related to the sale of the Company's oil, natural gas and NGL production from oil and natural gas customers are normally collected on the 25th day of the month following delivery. Substantially all these oil and natural gas customers accounts receivables have been collected as of the date of these condensed consolidated Financial Statements.

Westgate applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Prior credit losses in the collection of accounts receivable by Westgate have been negligible and the Company does not anticipate any significant future credit losses based on forward-looking information.

Secured note receivable
During the first quarter of 2025, the company collected $183,120 of the secured note receivable and recognized $1,522 loss. As at March 31, 2025, the carrying value of the secured notes receivable was $50,000, related to the estimated fair market value of rights to proceeds from public and private company investments.

Liquidity risk

The timing of cash outflows relating to the Company's non-derivative financial liabilities as at March 31, 2025 are all less than one year, and include the Company's accounts payables and accrued liabilities of $1,270,628 and operating loan of $255,000. Liquidity risk is the risk that Westgate will not be able to meet all of its financial obligations when they become due. The Company actively manages its liquidity through carrying cash on hand, cost controls and loans. Such strategies include continuously monitoring forecast and actual cash flows and financing activities. The nature of the oil and gas industry is very capital intensive. As a result, the Company prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures.

Other liabilities of $199,442 at March 31, 2025 relate to the Company's cash-settled stock-based compensation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and interest rates will affect the Company's net loss. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange risks. The Company's oil sales are denominated in U.S. dollars. However, the underlying market prices in Canada for oil are impacted by changes in the exchange rate between the Canadian and United States dollar.

ii) Commodity price risk

The Company is exposed to the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. The reference price for buyers and sellers of crude oil relevant to note 12 to the Company's oil sales is West Texas Intermediate at Cushing, Oklahoma, USA ("WTI"), and the reference price for buyers and sellers of natural gas includes deals that are conducted anywhere within TransCanada's Alberta, Canada System, otherwise known as NOVA (“AECO”). Westgate manages this exposure through its capital programs and production levels to maximize the value of recoverable resources.

(Unaudited, expressed in Canadian Dollars)

Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events and North American processing and supply considerations that influence the levels of supply and demand.

On April 7, 2025, the Company agreed to pay on a deferred basis US$190,319 and entered into the following risk management contracts for crude oil:

Contract	Term	Volume	Contract Price
Crude Oil			
WTI oil put contract (floor)	May 1, 2025 – Jun. 30, 2025	69 bbl/day	$60.20 USD/bbl
WTI oil put contract (floor)	Jul. 1, 2025 – Sep. 30, 2025	64 bbl/day	$59.60 USD/bbl
WTI oil put contract (floor)	Oct. 1, 2025 – Dec. 30, 2025	59 bbl/day	$59.30 USD/bbl
WTI oil put contract (floor)	Jan. 1, 2026 – Mar.31, 2026	54 bbl/day	$59.20 USD/bbl
WTI oil put contract (floor)	Apr. 1, 2026 – Jun. 30, 2026	51 bbl/day	$59.30 USD/bbl
WTI oil put contract (floor)	Jul. 1, 2026 – Sep. 30, 2026	47 bbl/day	$59.30 USD/bbl

iii) Interest rate risk

The Company’s exposure to interest rate fluctuations on interest earned on its floating rate cash balance at March 31, 2025 of $0.2 million (December 31, 2024 - $0.7 million), from a 1.0% change in interest rates, would have an annualized impact of approximately $2,000 (December 31, 2024 - $7,000).

5. PROPERTY AND EQUIPMENT

The Company’s Property and Equipment (“P&E”) consists of oil development and production assets (“D&P”) and corporate assets. D&P assets include the Company’s interests in developed oil, natural gas and NGL properties, as well as interests in facilities and pipelines.

The following table reconciles the movements in the cost and accumulated depletion and depreciation during the three months ended March 31, 2025:

	D&P	Corporate assets	Net carrying value
Balance at December 31, 2024	10,816,726	4,473	10,821,199
Additions	666,100	-	666,100
Change in decommissioning obligations cost estimate (Note 8)	97,691	-	97,691
Depletion and depreciation	(391,866)	(319)	(392,185)
Balance at March 31, 2025	**11,188,651**	**4,154**	**11,192,805**

The calculation of depletion expense for the period ended March 31, 2025, included $1.8 million (December 31, 2024 - $1.8 million) of future development costs included in the Richdale and Killam reserve reports.

Impairment test of P&E

The Company identified two CGUs as at March 31, 2025 (December 31, 2024 – two), based on the lowest level at which properties generate cash inflows while applying judgment to consider factors such as similar reserve characteristics, geographical location, and shared infrastructure. At March 31, 2025, the Company determined that there were no impairment indicators on the Company’s CGUs.

6. DECOMMISSIONING OBLIGATIONS

Decommissioning obligations at December 31, 2024	**3,270,543**
Change in estimate	**97,691**
Accretion	**26,306**
Decommissioning obligations at March 31, 2025	**3,394,540**
Presented	
Current	**74,796**
Long-term	**3,319,744**

The Company’s decommissioning obligation results from its ownership interest in oil and natural gas assets including well sites and gathering systems. The total decommissioning obligation is estimated based on the Company’s net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years.

(Unaudited, expressed in Canadian Dollars)

The key assumptions, on which the carrying amount of the decommissioning obligation is based, include a discount rate range of 2.47% to 3.19% percent (December 31, 2024 – 2.92% to 3.32%) and inflation rate of 2.00% (December 31, 2024 – 2.00%). As at March 31, 2025, the total inflated, undiscounted amount of the estimated cash flows required to settle the obligations was $7.53 million (December 31, 2024 – $7.53 million). The expected timing of payment of the cash flows required for settling the obligations extends up to 50 years (2024 – 50 years).

As at March 31, 2025, the Company issued a cash collateralized letter of credit of $499,950 (December 31, 2024 - $499,950) on behalf of the Alberta Energy Regulator for a deposit against the decommissioning obligations. The letter of credit is irrevocable and shall remain valid for one year.

7. BANK DEBT

During first quarter of 2025, Westgate secured a $1.0 million revolving operating loan with ATB Financial (the "ATB Facility"). The ATB Facility is repayable on demand, is available for borrowing, guaranteed by Westgate Energy Operations Ltd. and secured by a lien over all present and after acquired property of Westgate and Westgate Energy Operations Ltd. The commitment letter amends and restates the prior commitment letter between ATB Financial and Westgate Energy Operations Ltd. The ATB Facility is to be used for the Company's general corporate purposes, including managing working capital, but excluding capital expenditures and acquisitions. During the first quarter of 2025, the company drew $255,000 against revolving operating loan.

8. CONVERTIBLE DEBENTURE

	Liability Component	Equity Component	Warrant Reserve	Total
Balance at December 31, 2024	-	-	-	-
Issuance of convertible debentures	**691,870**	**1,674**	**6,456**	**700,000**
Accretion and interest	**7,305**	-	-	**7,305**
Balance at March 31, 2025	**699,175**	**1,674**	**6,456**	**707,305**

On March 7, 2025, the Company closed a non-brokered private placement of convertible debentures, offering of 700 units of the Company ("Convertible Debenture") to a director of the Company, at a price of $1,000 per Private Placement Unit for gross proceeds of $700,000, and 199,500 common share warrants of the Company.

The Debentures will mature and be repayable on August 28, 2025. The Debentures bear interest at the rate of 12.5 percent per annum. At the holder's option, the Debentures may be convertible into Common Shares at any time prior to the close of business on the earlier of the business day immediately preceding (i) the change of control payment date, or (ii) the maturity date, (iii) the redemption date, convert all or any portion of the outstanding principal amount, in multiples of $1,000, into a number of common shares equal to the quotient obtained by dividing the principal amount being converted by the conversion price. Each Private Placement Unit is comprised of $1,000 principal amount of convertible unsecured subordinated debentures of the Company and 285 common share purchase warrants of the Company. The Private Placement Debentures are convertible at the election of the holder into Common Shares at a conversion price of $0.25 until August 28, 2025, and each Private Placement Warrant entitles the holder to acquire one Common Share at an exercise price of $0.27 until March 7, 2026.

Due to the conversion feature to common shares, the Debentures have both a liability and an equity component. The liability component was calculated by discounting the future cash flows (interest and principal) at an interest rate of a similar debt instrument but without a conversion option. The value of the equity component was the residual calculation assuming the share option value is equal to the difference between the total issue proceeds and liability component.

Each warrant entitles the holder to purchase a common share at a price of $0.27 per warrant share expiring March 7, 2026 for a period of 12 months for the issue date. The value of the warrants was determined using the Black-Scholes calculations, considering the Company's share price of $0.18 on the day immediately preceding issuance, the exercise price of $0.27, a 77% implied probability,1-year term, and risk-free rate of 2.67%.

$700,000 of funds received from the convertible debenture were used as a security deposit for the D&P assets acquisition deal. The deposit is fully refundable in the event the deal does not proceed, under certain circumstances.

9. SHARE CAPITAL

Issued and outstanding shares

The Company's authorized share capital consists of an unlimited number of Shares and an unlimited number of preferred shares, issuable in series (of which nil are issued and outstanding). The following table summarizes the Company's issued and outstanding Shares and the Company's issued and outstanding securities convertible into, or exercisable or exchangeable for Shares:

Notes to the interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024 (Unaudited, expressed in Canadian Dollars)

	Units	Amount
Balance, January 1, 2024 (pre-consolidation)	89,923,120	7,974,208
Share cancellation - Grafton	(89,923,120)	**-**
Issuance of shares - Grafton Conversion	30,963,659	-
Issuance of shares - non-brokered	7,770,496	2,442,283
Issuance of shares - brokered	8,379,009	3,135,049
Issuance of shares - pre-RTO	3,214,887	934,461
Share issue costs	-	(385,941)
Balance, December 31, 2024 and March 31, 2025	50,328,051	14,100,060

Warrants

The following table summarizes the Company's issued and outstanding warrants and issuance of 199,500 warrants (Note 8):

	Three Months Ended March 31, 2025	
	Units	Amount
Balance, beginning of period	16,485,068	1,363,508
Issuance of warrants (Note 8)	199,500	6,456
Balance, end of period	16,684,568	1,369,964

10. STOCK-BASED COMPENSATION

The following table summarizes the Company's outstanding stock-based compensation units:

	March 31, 2025 and December 31, 2024	
As at	Outstanding	Exercisable
RSUs	1,674,000	-
DSUs	126,000	-
Cash-settled units	1,800,000	-
Share options - equity-based units	3,600,000	-
Total stock-based compensation units	5,400,000	-

The following table summarizes the Company's stock-based compensation expense for the periods:

For the three months ended	**March 31, 2025**	March 31, 2024
RSU - cash-settled expense	**73,538**	-
DSU - cash settled expense	**5,536**	-
Total - cash-based expense	**79,074**	-
Share options - equity-based expense	**83,725**	-
Stock-based compensation expense	**162,799**	-

The liabilities under the cash-settled plans are revalued at each reporting date based on the Company's closing share price. The following table reconciles the Company's cash-settled stock-based liability.

	Three Months Ended March 31, 2025	Year ended December 31, 2024
Balance, beginning of period	**120,368**	-
RSUs - cash-settled expense	**73,538**	111,942
DSUs - cash-settled expense	**5,536**	8,426
Balance, end of periods	**199,442**	120,368
Presented		
Current	**167,957**	76,008
Long-term	**31,485**	44,360

(Unaudited, expressed in Canadian Dollars)

Cash-settled stock-based liability at January 1, 2025	**120,368**
RSUs - cash-settled expense	**73,538**
DSUs - cash-settled expense	**5,536**
Cash-settled stock-based liability at March 31, 2025	**199,442**
Presented	
Current	**167,957**
Long-term	**31,485**

11. LOSS PER COMMON SHARE

For the three months ended	March 31, 2025	March 31, 2024
Loss and comprehensive loss for the periods	**(651,113)**	(784,824)
Weighted average number of shares (basic and diluted)	**50,328,051**	30,963,659
Basic and diluted loss per share	**(0.01)**	(0.03)

12. OIL, NATURAL GAS, AND NGL SALES, NET OF ROYALTIES

The following table provides a summary of the Company's revenue streams, all of which are revenue from contracts with customers:

For the three months ended	March 31, 2025	March 31, 2024
Oil	**1,041,085**	615,264
Gas	**109,505**	85,644
NGLs	**27,847**	29,880
Total petroleum and natural gas sales	**1,178,437**	730,788
Royalties	**(154,972)**	(71,888)
Total revenue, net of royalties	**1,023,465**	**658,900**

13. EXPENSES

a) General and administrative ("G&A")

For the three months ended	March 31, 2025	March 31, 2024
Salary and consulting fees	**347,546**	415,946
Rent	**33,328**	31,694
Software and I.T.	**42,303**	40,126
Professional fees	**132,458**	63,608
Office and other expenses	**83,891**	27,089
Gross G&A	**639,526**	578,463
Capitalized G&A	**(47,500)**	(47,500)
Net G&A	**592,026**	530,963

b) Finance expense:

For the three months ended	March 31, 2025	March 31, 2024
Accretion of decommissioning obligations (Note 6)	**26,306**	21,960
Accretion and non-cash interest for convertible debenture (Note 8)	**7,305**	-
Other interest	**2,085**	-
Total finance expense	**35,696**	21,960

14. COMMITMENTS

The Company had no commitments as at March 31, 2025 (December 31, 2024 – $Nil).

(Unaudited, expressed in Canadian Dollars)

15. CAPITAL STRUCTURE

As at March 31, 2025, the Company's capital structure is comprised of working capital and shareholder's equity (deficit). The significant components of the Company's capital structure are summarized below:

As at	March 31, 2025	December 31, 2024
Working capital (Deficit) [1]	**(1,401,537)**	124,306
Shareholder's equity	**10,246,956**	10,812,315

1) Working capital is the difference between the company's current assets and liabilities.

Capital Management

The Company considers its capital structure to include working capital and shareholders' equity. The Company manages its capital structure and makes adjustments by continually monitoring its business conditions including the current economic conditions, the risk characteristics of the Company's oil, natural gas and NGL assets, the depth of its investment opportunities, current and forecasted net debt levels, current and forecasted commodity prices and other facts that influence commodity prices and funds from operations such as quality and basis differentials, royalties, operating costs and transportation costs. In order to maintain or adjust the capital structure, the Company considers its forecasted cash flow from operating activities before changes in non-cash working capital while attempting to finance an acceptable capital expenditure program including acquisition opportunities, the availability of new sources of debt, the sale of assets, limiting the size of the capital expenditure program and the issue of new equity if available on favorable terms.

At March 31, 2025, the Company's capital structure was not subject to any banking covenants. No changes were made to the capital policy as at March 31, 2025. The Company will continue to actively monitor its working capital balances and deploy capital prudently to maximize its liquidity position.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Three months ended	March 31, 2025	March 31, 2024
Change in:		
Accounts receivable	**(18,374)**	(197,147)
Secured note receivable	**(4,642)**	-
Deposit and prepaid expenses	**(286,814)**	(256,212)
Inventory	**30,249**	21,637
Account payable and accrued liabilities	**18,993**	(271,454)
Other liabilities	**91,949**	-
Other non-cash items affecting working capital:		
Long-term deposit	**(700,000)**	-
Long-term other liabilities	**(12,875)**	-
	(881,514)	(703,176)
Related to:		
Operating activities	**(589,313)**	312,741
Financing activities	**-**	11,510
Investing activities	**(292,201)**	(1,027,427)

17.SUBSEQUENT EVENTS

The Company secured additional funding subsequent to March 31, 2025:

Private Placement
On April 2, 2025, Westgate closed a best-efforts public offering of 16,541,267 units of the Company (the "2025 Public Units") at a price of $0.15 per unit for aggregate gross proceeds of approximately $2.5 million (the "2025 Public Offering"). The 2025 Public Offering was led by Haywood Securities Inc. as the sole agent and bookrunner. Each 2025 Public Unit was comprised of one Share and one Share purchase warrant. Each warrant entitles the holder thereof to acquire one Share at an exercise price of $0.24 until April 2, 2027. Haywood Securities Inc. was granted an over-allotment option to offer for sale up to an additional 6,000,000 2025 Public Units (up to additional gross proceeds of $900,000), which over-allotment option is exercisable until May 2, 2025. In connection with the 2025 Public Offering, Haywood Securities Inc. was issued 918,022 non-transferable compensation options of the Company. Each compensation option entitles the holder to acquire one Share at an exercise price of $0.15 until April 2, 2027. The Company intends to use the net proceeds of the 2025 Public Offering to fund the Moonshine Acquisition and for general corporate purposes.

Senior Secured Loan

On April 3, 2025, Westgate closed a first lien senior secured loan for up to US$25 million (the "Senior Secured Loan") from Cibolo Energy Partners, LLC and certain of its affiliates ("Cibolo"), a Houston based firm focused on energy investment opportunities. Westgate entered into a first lien senior secured credit agreement with Cibolo, providing for a multi-draw, non-revolving term loan facility of a maximum aggregate principal amount of up to US$25.0 million. Westgate has made an initial draw of US$10.0 million. An additional US$10.0 million has been committed and remains available for draw. Additional commitments are subject to further approval by Cibolo. The Senior Secured Loan carries an interest rate due quarterly of SOFR plus 7.75%, with an SOFR floor of 4.25%, and will mature on April 3, 2029. Based on the current SOFR rate, the initial interest rate will be approximately 12.04%. Westgate Energy Operations Ltd. has guaranteed the Senior Secured Loan. In connection with the Senior Secured Loan, Cibolo was issued 24,343,659 non-transferable Share purchase warrants. Each warrant entitles the holder to acquire one Share at an exercise price equal to $0.21 until April 3, 2030. The Company intends to use the Senior Secured Loan to fund drilling on its Beaverdam and Moonshine Assets.

Acquisition

On March 7, 2025, Westgate entered into an asset purchase and sale agreement with an arm's length, large, well-financed private oil and gas company for the strategic acquisition of Mannville Stack focused assets in East-Central Alberta (the "Moonshine Assets") for total consideration of $7.0 million, subject to customary adjustments (the "Moonshine Acquisition"). The Company's net cost for the Moonshine Acquisition is expected to be approximately $5.7 million and the Moonshine Acquisition is expected to close in Q3 2025. The Moonshine Acquisition is subject to, among other things, customary closing conditions, including the accuracy of representations and warranties, the performance of covenants in the definitive agreements and obtaining certain governmental and third-party approvals and the Company entering into a master development agreement with the Metis Settlement at Moonshine with respect to the Moonshine Assets. The Company advanced $700,000 to the vendor as deposit for the Moonshine Acquisition that is refundable under certain conditions.