LOGAN

ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED

MARCH 31, 2026 AND 2025

LOGAN ENERGY CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(CA$ thousands)	[Note]	**March 31, 2026**	December 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents		**64**	47
Accounts receivable	[4]	**25,374**	19,601
Prepaid expenses and deposits		**2,243**	1,547
Derivative financial instruments	[4]	**12,379**	9,119
Total current assets		**40,060**	30,314
Derivative financial instruments	[4]	**2,692**	928
Exploration and evaluation assets	[5,6]	**51,768**	46,672
Property, plant and equipment	[5,7]	**546,751**	437,968
Total assets		**641,271**	515,882
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	[4]	**68,561**	30,911
Derivative financial instruments	[4]	**22,418**	-
Provisions and other liabilities	[8]	**3,912**	3,589
Total current liabilities		**94,891**	34,500
Bank debt	[9]	**77,764**	78,908
Provisions and other liabilities	[8]	**79,017**	68,500
Deferred income tax liability	[11]	**12,788**	16,096
Total liabilities		**264,460**	198,004
SHAREHOLDERS' EQUITY			
Share capital	[10]	**322,036**	254,596
Warrants	[10]	**9,790**	9,790
Contributed surplus		**11,315**	10,262
Retained earnings		**33,670**	43,230
Total shareholders' equity		**376,811**	317,878
Total liabilities and shareholders' equity		**641,271**	515,882
Commitments	[16]		

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

Approved on behalf of the Board of Directors:

[signed] "Richard McHardy"
Chief Executive Officer and Director

[signed] "Ron Hozjan"
Director

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

		Three months ended March 31	
(CA$ thousands, except per share amounts)	[Note]	**2026**	2025
Revenue			
Oil and gas sales	[12]	**47,549**	34,685
Royalties	[12]	**(3,935)**	(3,381)
Oil and gas sales, net of royalties		**43,614**	31,304
Processing and other		**624**	603
		44,238	31,907
Loss on derivative financial instruments	[4]	**(18,333)**	(3,620)
Expenses			
Operating		**12,560**	11,340
Transportation		**2,310**	1,855
General and administrative		**1,563**	1,515
Share based compensation	[10]	**1,053**	781
Financing expenses	[13]	**2,534**	962
Exploration and evaluation	[6]	**904**	-
Depletion and depreciation	[7]	**17,090**	12,216
Gain on sale of assets	[8]	**(180)**	(208)
Transaction costs	[5]	**161**	103
Foreign exchange loss		**11**	1
		38,006	28,565
Net loss before income taxes		**(12,101)**	(278)
Deferred income tax expense (recovery)	[11]	**(2,541)**	116
Net loss and comprehensive loss		**(9,560)**	(394)
Net loss per share			
Basic and diluted	[10]	**(0.02)**	(0.00)

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

LOGAN ENERGY CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(CA$ thousands)	[Note]	Share capital	Warrants	Contributed surplus	Retained earnings	Total
Balance at December 31, 2025		**254,596**	**9,790**	**10,262**	**43,230**	**317,878**
Net loss and comprehensive loss		**-**	**-**	**-**	**(9,560)**	**(9,560)**
Common shares issued, net of costs:						
Issued pursuant to equity financings	[10]	**70,008**	**-**	**-**	**-**	**70,008**
Issue costs, net of deferred tax	[10]	**(2,568)**	**-**	**-**	**-**	**(2,568)**
Share based compensation expense	[10]	**-**	**-**	**1,053**	**-**	**1,053**
Balance at March 31, 2026		**322,036**	**9,790**	**11,315**	**33,670**	**376,811**
Balance at December 31, 2024		254,596	9,790	5,519	5,452	275,357
Net loss and comprehensive loss		-	-	-	(394)	(394)
Share based compensation expense	[10]	-	-	781	-	781
Balance at March 31, 2025		254,596	9,790	6,300	5,058	275,744

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LOGAN ENERGY CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOW

		Three months ended March 31	
(CA$ thousands)	[Note]	**2026**	2025
Operating activities			
Net loss		**(9,560)**	(394)
Items not affecting cash:			
Unrealized loss on derivatives	[4]	**17,394**	3,785
Unrealized foreign exchange loss (gain)		**(1)**	9
Share based compensation		**1,053**	781
Financing	[13]	**669**	341
Exploration and evaluation		**904**	-
Depletion and depreciation		**17,090**	12,216
Gain on sale of assets	[8]	**(180)**	(208)
Deferred income tax expense (recovery)		**(2,541)**	116
Settlement of decommissioning obligations	[8]	**(50)**	(766)
Change in non-cash working capital	[14]	**586**	(185)
Cash provided by operating activities		**25,364**	15,695
Financing activities			
Advances of bank debt, net of costs	[9]	**102,386**	106,514
Repayments of bank debt	[9]	**(103,836)**	(68,900)
Issue of common shares, net of costs	[10]	**66,673**	-
Lease payments	[8]	**(243)**	(8)
Change in non-cash working capital	[14]	**(37)**	(128)
Cash provided by financing activities		**64,943**	37,478
Investing activities			
Exploration and evaluation assets	[6]	**(1,287)**	(937)
Property, plant and equipment	[7]	**(53,358)**	(95,348)
Property acquisitions	[5]	**(66,278)**	(920)
Property dispositions	[5]	**-**	16,644
Change in non-cash working capital	[14]	**30,632**	27,255
Cash used in investing activities		**(90,291)**	(53,306)
Net change in cash and cash equivalents		**16**	(133)
Foreign exchange on cash and cash equivalents		**1**	10
Cash and cash equivalents, beginning of year		**47**	324
Cash and cash equivalents, end of period		**64**	201

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 condensed interim financial statements as at March 31, 2026 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2025 (the "2025 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on May 12, 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 consistent with those outlined in note 2 of the 2025 Annual Financial Statements.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are described in note 3 of the 2025 Annual Financial Statements. These Financial Statements at March 31, 2026, have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2025, except as noted below.

Amendments to IFRS 7 & 9 Financial Instruments

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 Company adopted this amendment on its effective date of January 1, 2026, with no material impact on the Company's financial statements. Additionally, the Company applies the practical expedient to derecognize financial liabilities for electronic payments in transit at period end where the payment has been initiated, is irrevocable and expected to settle within a short time frame.

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 a significant 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.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2026 and December 31, 2025, 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 March 31, 2026 and at December 31, 2025, 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)	**March 31, 2026**	December 31, 2025
Oil and gas marketers	**17,956**	15,007
Joint venture partners	**6,313**	3,315
GST input tax credits	**1,105**	-
Settlements on derivative financial instruments	**-**	1,279
Accounts receivable	**25,374**	19,601

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

(CA$ thousands)	Current	30-60 days	60-90 days	Over 90 days	Total
Balance at March 31, 2026	**22,757**	**2,409**	**-**	**208**	**25,374**
Balance at December 31, 2025	17,962	1,611	8	20	19,601

During the three months ended March 31, 2026, sales to two oil and gas marketers represented more than 10% of revenue. Sales to these two marketers account for approximately 72% of total oil and gas sales revenue (before royalties) in the three months ended March 31, 2026. During the previous year ended December 31, 2025, sales to five marketers accounted for approximately 92% 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 March 31, 2026 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 March 31, 2026 ($0.2 million at December 31, 2025).

b) Liquidity Risks

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at March 31, 2026, Logan's financial liabilities include accounts payable and accrued liabilities, derivative financial instruments, 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 March 31, 2026:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	68,561	-	-	-	68,561
Derivative financial instrument liabilities	22,418	-	-	-	22,418
Credit Facility [(1)] (note 9)	6,514	87,559	-	-	94,073
Undiscounted lease liabilities (note 8)	3,187	6,326	6,132	28,115	43,760
Total	**100,680**	**93,885**	**6,132**	**28,115**	**228,812**

(1) Includes interest and standby fees at annual rates of 6.5% and 0.8%, respectively, being the applicable rates on the Credit Facility (defined in note 9) as at March 31, 2026. For purposes of the above table, principal repayment is assumed on the maturity date of 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 March 31, 2026:

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	April 1 to June 30, 2026
Crude oil – swap	1,000 bbls/d	WTI	CA$82.50 per barrel	April 1 to December 31, 2026
Crude oil – swap	2,000 bbls/d	WTI	CA$84.19 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
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

The following table summarizes the fair value of the Company's risk management contracts as at March 31, 2026 and the change in fair value compared to December 31, 2025:

(CA$ thousands)	Crude oil	Natural gas	Total
Net derivative asset, beginning of year	3,900	6,147	10,047
Unrealized change in fair value	(25,648)	8,254	(17,394)
Net derivative asset (liability), end of period	**(21,748)**	**14,401**	**(7,347)**
Derivative financial instrument assets, end of period	**670**	**14,401**	**15,071**
Derivative financial instrument liabilities, end of period	**(22,418)**	**-**	**(22,418)**

The fair values of derivative financial instruments are designated as Level 2 in the fair value hierarchy and are highly sensitive to changes in underlying commodity prices. The table below illustrates the stand-alone impact of changes in specified benchmark prices and differentials on net income before income taxes, holding all other variables constant, of risk management contracts in place as at March 31, 2026:

(CA$ thousands)	Change in price	Positive movement	Negative movement
AECO	+/- CA$0.25 per GJ	(3,920)	3,920
WTI	+/- CA$5.00 per barrel	(5,950)	5,950

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 $81.4 million as at March 31, 2026, 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 periods:

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Realized gain (loss)	**(939)**	165
Unrealized loss	**(17,394)**	(3,785)
Loss on derivative financial instruments	**(18,333)**	(3,620)

Logan recognized a total loss on derivative financial instruments of $18.3 million during the three months ended March 31, 2026, comprised of a $17.4 million unrealized loss on the change in fair value of outstanding contracts during the period, together with a net realized loss of $0.9 million. The unrealized derivative loss in the first quarter of 2026 is primarily attributable to stronger crude oil prices compared to the forward curve at December 31, 2025, partially offset by a weakened outlook for natural gas prices in the near term.

Offsetting of financial instruments

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

(CA$ thousands)	Carrying Value ("CV")		
Balance as at March 31, 2026	Gross	Netting	Net CV
Financial assets			
Derivative financial instruments	**15,071**	**-**	**15,071**
Financial liabilities			
Derivative financial instruments	**(22,418)**	**-**	**(22,418)**

(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	-	-	-

5. ACQUISITIONS AND DISPOSITIONS

2026 Acquisitions

On March 10, 2026, Logan closed the 2026 Acquisition of the vendor's entire interest in certain assets located primarily in its core area of Simonette in northwest Alberta for a total cash purchase price of $66.3 million, after estimated closing adjustments (the "2026 Acquisition"). Adjustments to the purchase price of $62.5 million were approximately $3.8 million between the effective date of January 1, 2026 and closing. Logan previously acquired a 50% operated working interest in the Simonette assets on December 17, 2024. The 2026 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.

Logan assessed the property acquisition and determined it to constitute a business combination in accordance with IFRS 3. Prior to the 2026 Acquisition, Logan's 50% interest in certain Simonette assets was jointly controlled with the vendor. Subsequent to the 2026 Acquisition, Logan now controls these assets with a 100% working interest. As required by IFRS 3, when an acquirer achieves control in stages, the previously held interest is remeasured to fair value at the 2026 Acquisition date with any gain or loss recognized in net income. The acquisition-date fair value of the previously held interest was estimated to be $71.9 million and the net carrying value of the assets was $71.9 million. As a result, no revaluation gain or loss was recorded on the remeasurement of the existing interest in the assets to fair value. The fair value of the previously held interest has been included as part of the total consideration and allocated to the identifiable assets acquired and liabilities assumed.

The table below summarizes the estimated fair value of the identifiable assets acquired and liabilities assumed on the closing date, March 10, 2026:

(CA$ thousands)	**2026 Acquisition (4)**	**Remeasurement of Previously Held Interest**	**Total**
Purchase price	62,500	-	**62,500**
Estimated closing adjustments	3,778	-	**3,778**
Cash consideration, after closing adjustments	66,278	-	**66,278**
Fair value of previously held interest	-	71,933	**71,933**
Total deemed consideration	**66,278**	**71,933**	**138,211**
Exploration and evaluation assets (“E&E”) (1)	5,140	5,140	**10,280**
Property, plant and equipment (“PP&E”) (2)	69,305	68,827	**138,132**
Decommissioning obligations (3)	(8,167)	(2,034)	**(10,201)**
Fair value of identifiable net assets	**66,278**	**71,933**	**138,211**

(1) The E&E carrying value of the previously held interest was equivalent to its fair value, with no resulting remeasurement adjustment.

(2) The PP&E carrying value of the previously held interest was $70.8 million compared to the above fair value of $68.8 million, resulting in a remeasurement adjustment of $2.0 million.

(3) The decommissioning obligations carrying value of the previously held interest was $4.0 million compared to the above fair value of $2.0 million, resulting in a remeasurement adjustment of $2.0 million.

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

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 by way of mechanical update 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, 2025 (the “2025 McDaniel Report”). The adjustments to the 2025 McDaniel Report performed by Logan’s management pursuant to the 2026 Acquisition were to reflect the interest acquired, adjusted for processing fees for Logan’s cost structure as an infrastructure owner and adding decommissioning obligation costs for the 2026 Acquisition. 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 $6.1 million (increase by $6.1 million).

The undiscounted amount of decommissioning obligations acquired pursuant to the transaction is estimated to be approximately $23.1 million ($32.9 million inflated at 2.0%). The fair value of decommissioning obligations acquired of $10.2 million was estimated by discounting the inflated cost estimates using a “credit-adjusted risk-free rate” of 10.3% 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 3.9% on March 10, 2026, resulted in an increase to the present value of decommissioning obligations acquired by $8.0 million and a corresponding increase recorded directly to PP&E.

The Statement of Net Income (Loss) and Comprehensive Income (Loss) for the three months ended March 31, 2026 includes the results of operations for the 2026 Acquisition starting from the closing date. Specifically, Logan’s net income for the three months ended March 31, 2026 includes $2.2 million of revenue (after royalties) and $1.7 million of operating income generated from the 2026 Acquisition for the period from March 10, 2026 to March 31, 2026. “Operating income” does not have a standardized meaning under IFRS Accounting Standards. For purposes of this pro-forma disclosure, the Company has calculated operating income as revenue (after royalties), less operating and transportation expenses. If the 2026 Acquisition had occurred on January 1, 2026, pro-forma revenue (after royalties) and operating income is estimated to be approximately $7.4 million and $5.4 million, respectively, for the three months ended March 31, 2026. This pro-forma information is not necessarily indicative of the results of operations that would have resulted had the 2026 Acquisition been effected on the date indicated, or the results that may be obtained in the future.

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.

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. 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 had 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.

(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 in the third quarter of 2025. During the nine months ended September 30, 2025, the Company recognized a net operating loss of $0.4 million related to these assets.

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.

6. EXPLORATION AND EVALUATION ASSETS

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

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Balance, beginning of year	**46,672**	35,297
Additions	**1,287**	16,874
Acquisitions (note 5)	**5,140**	1,390
Dispositions (note 5)	**-**	(450)
Transfers to PP&E (note 7)	**(427)**	(5,341)
Expired mineral leases (1)	**-**	(399)
Exploration production expense (1)	**(904)**	(699)
Balance, end of period	**51,768**	46,672

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

Logan assessed its E&E assets for potential impairment prior to transferring costs to PP&E and as at March 31, 2026 and at December 31, 2025, concluding there are no indicators of impairment.

7. PROPERTY, PLANT AND EQUIPMENT

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

PP&E, at cost *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2024	412,251	52	412,303
Additions	191,373	14,073	205,446
Acquisitions (note 5)	(106)	-	(106)
Dispositions (note 5, 8) (1)	(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 (2)	-	3,599	3,599
Balance at December 31, 2025	**578,803**	**17,672**	**596,475**
Additions	**53,358**	**-**	**53,358**
Acquisitions (note 5)	**69,305**	**-**	**69,305**
Remeasurement of previously held interest (3) (note 5)	**(2,049)**	**-**	**(2,049)**
Changes in decommissioning cost (note 8)	**411**	**-**	**411**
Decommissioning discount rate adjustment (note 8)	**8,009**	**-**	**8,009**
Transfers from E&E (note 6)	**427**	**-**	**427**
Remeasurement (2)	**-**	**(3,588)**	**(3,588)**
Balance at March 31, 2026	**708,264**	**14,084**	**722,348**

Accumulated DD&I *(CA$ thousands)*	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2024	99,448	40	99,488
Depletion and depreciation	63,316	633	63,949
Dispositions (1)	(4,878)	(52)	(4,930)
Balance at December 31, 2025	**157,886**	**621**	**158,507**
Depletion and depreciation	**16,837**	**253**	**17,090**
Balance at March 31, 2026	**174,723**	**874**	**175,597**

Net carrying value	**D&P Assets**	**ROU Assets**	**Total PP&E**
Balance at December 31, 2025	420,917	17,051	437,968
Balance at March 31, 2026	**533,541**	**13,210**	**546,751**

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

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

(3) In connection with the 2026 Acquisition, Logan remeasured its previously held interest in the underlying assets (note 5). The above remeasurement adjustment represents the difference between the PP&E fair value of the previously held interest and its carrying value as at March 10, 2026. The above remeasurement is offset within PP&E by a subsequent discount rate adjustment on decommissioning obligations related to the previously held interest. See note 8(b) for additional information.

Future development capital expenditures required to develop total proved plus probable reserves in the amount of $1.6 billion are included in the depletion calculation for development & production assets for the three months ended March 31, 2026 ($1.5 billion at December 31, 2025).

Logan assessed its PP&E for indicators of potential impairment and concluded there were no indicators of impairment as at March 31, 2026 and as at December 31, 2025.

8. PROVISIONS AND OTHER LIABILITIES

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

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Lease liabilities	**25,540**	29,371
Decommissioning obligations	**49,653**	34,802
Deferred gain	**7,736**	7,916
Balance, end of period	**82,929**	72,089
Expected to be settled within one year	**3,912**	3,589
Expected to be settled beyond one year	**79,017**	68,500

a) Lease liabilities

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

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Lease liabilities (1)		
Balance, beginning of year	**29,371**	14
Additions	**-**	26,325
Lease payments	**(786)**	(1,890)
Financing cost (note 13)	**543**	1,323
Remeasurement	**(3,588)**	3,599
Balance, end of period	**25,540**	29,371
Expected to be settled within one year	**1,070**	1,181
Expected to be settled beyond one year	**24,470**	28,190

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

As at March 31, 2026, 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, and a lease liability was recognized based on the present value of the expected lease payments over the term of the take-or-pay commitment at closing. 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 March 31, 2026, resulted in a decrease to the reported lease liability by $3.6 million.

Based on natural gas pricing at March 31, 2026, an increase (decrease) of $0.25 per GJ would not change the annual lease payments or lease liability. Generally however, if the natural gas price is within range of the sliding scale, an increase (decrease) of $0.25 per GJ would increase (decrease) annual lease payments by $0.2 million and the lease liability by $1.6 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 $0.4 million during the three months ended March 31, 2026 ($0.5 million during the three months ended March 31, 2025).

b) Decommissioning obligations

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

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Decommissioning obligations		
Balance, beginning of year	**34,802**	41,565
Obligations incurred	**660**	1,761
Obligations acquired (note 5)	**8,167**	470
Discount rate adjustment on obligations acquired (note 5)	**8,009**	-
Remeasurement of previously held interest (1) (note 5)	**(2,049)**	-
Obligations disposed (note 5)	**-**	(4,293)
Obligations settled	**(50)**	(913)
Changes in discount rate	**(209)**	(3,183)
Changes in estimates	**(40)**	(1,970)
Accretion (note 13)	**363**	1,365
Balance, end of period	**49,653**	34,802
Expected to be settled within one year	**2,167**	1,680
Expected to be settled beyond one year	**47,486**	33,122

(1) In connection with the 2026 Acquisition, Logan remeasured its previously held interest in the underlying assets (note 5). The above remeasurement represents the difference between the fair value of the previously held interest and its carrying value as at March 10, 2026. The above remeasurement is offset within decommissioning obligations by a subsequent discount rate adjustment related to the previously held interest.

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at March 31, 2026, the total undiscounted amount of the estimated cash flows required to settle the obligation is $67.5 million ($48.5 million as of December 31, 2025), of which, Logan expects to incur approximately $43.8 million over the next 20 years, $23.7 million in 20 to 50 years and the residual thereafter. The estimated inflated undiscounted future cash flows required to settle the obligation is $105.1 million at March 31, 2026, based on an inflation rate of 2.0% over the restoration period and using current costs (December 31, 2025 – $77.5 million based on an inflation rate of 2.0%). As at March 31, 2026, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.9% (3.9% at December 31, 2025).

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	1,965	(1,841)
Risk-free rate	+/- 25 basis points	(1,776)	1,902

c) Deferred gain

In 2025, the Company closed the GORR Sale (note 5) where 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 following table summarizes the change in the deferred gain balance:

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Deferred gain		
Balance, beginning of year	**7,916**	-
GORR Sale (note 5)	**-**	9,059
Gain recognized in net income	**(180)**	(1,143)
Balance, end of period	**7,736**	7,916
Expected to be settled within one year	**675**	728
Expected to be settled beyond one year	**7,061**	7,188

9. BANK DEBT

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Bank loan	**81,401**	80,067
Unamortized issue costs	**(3,637)**	(1,159)
Bank debt	**77,764**	78,908

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 March 31, 2026, the authorized borrowing amount available under the Credit Facility was $250.0 million, comprised of a $50.0 million operating facility and a $200.0 million loan facility. Effective March 10, 2026, in conjunction with the Acquisition, the Company’s Lenders increased the authorized borrowing amount available under the Credit Facility from $150.0 million to $250.0 million. 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 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.

Pursuant to the terms of the amended credit agreement, 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.

As at March 31, 2026 and as of the date hereof, Logan is in compliance with all covenants, which are listed in the table below:

Covenant Description [(1)]		**March 31, 2026**	December 31, 2025
Senior Debt to EBITDA [(2)]	maximum ratio 2.0 to 1.0	**0.6**	N/A

(1) The covenants do not have standardized meanings under IFRS Accounting Standards and are calculated in accordance with the definitions in the amended credit agreement, as described further below.

(2) Senior Debt used in the covenant calculation is generally defined as the total amount drawn on the Credit Facility. EBITDA refers to earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined in the credit agreement.

b) Letter of credit facility

The Company has a demand letter of credit facility which provides Logan with $5.0 million of incremental credit capacity to issue letters of credit. The letters of credit may be issued for general corporate purposes and are limited to a term of one year from the date of issuance. Letter of credit obligations are repayable on demand. As at March 31, 2026, 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 periods ended March 31, 2026 and December 31, 2025:

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Balance, beginning of year	**78,908**	1,303
Advances	**105,170**	417,797
Repayments	**(103,836)**	(339,880)
Issue costs incurred	**(2,784)**	(912)
Amortization of issue costs	**306**	600
Bank debt, end of period	**77,764**	78,908

10. SHARE CAPITAL

a) Authorized

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

b) Issued and outstanding

The following table summarizes the change in common shares issued and outstanding. There are no preferred shares or special shares outstanding as of March 31, 2026 (December 31, 2025 – nil).

	Number of common shares (000s)	Amount ($ thousands)
Balance at December 31, 2024	595,675	254,596
Balance at December 31, 2025	**595,675**	**254,596**
Issued for cash pursuant to prospectus offering	**52,065**	**38,008**
Issued for cash pursuant to private placement	**43,836**	**32,000**
Share issue costs, net of deferred income taxes ($767)	**-**	**(2,568)**
Balance at March 31, 2026	**691,576**	**322,036**

2026 Equity Financings

On March 10, 2026, in conjunction with the 2026 Acquisition, 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 $66.7 million after estimated issue costs were used to repay indebtedness incurred to fund the purchase price for the 2026 Acquisition.

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

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, 2024	64,286	9,790	0.35
Balance at December 31, 2025	64,286	9,790	0.35
Balance at March 31, 2026	**64,286**	**9,790**	**0.35**

As at March 31, 2026, 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, 2024	22,603	0.89
Granted [(1)]	20,075	0.65
Forfeited	(8)	(0.89)
Balance at December 31, 2025	42,670	0.78
Balance at March 31, 2026	**42,670**	**0.78**

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

The following table summarizes information regarding stock options outstanding at March 31, 2026:

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	4.0	0.65	6,023	0.65
$0.89	22,595	2.6	0.89	15,063	0.89
Total	**42,670**	**3.3**	**0.78**	**21,086**	**0.82**

The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the three months ended March 31, 2026 was $0.86 per share ($0.68 per share for the three months ended March 31, 2025).

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. On March 18, 2026, Logan's Board of Directors approved the grant of an aggregate 6.8 million RSAs.

The following table summarizes the change in Logan's share awards outstanding:

	Number of RSAs (000s)
Balance at December 31, 2024	-
Balance at December 31, 2025	**-**
Granted [(1)]	**6,752**
Balance at March 31, 2026	**6,752**

(1) RSAs granted to officers and directors of 5.4 million cliff vest on the third anniversary of the grant date. RSAs granted to non-executive employees of 1.4 million vest as to 1/3 per year on the first, second and third anniversary date of the grant.

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 (Loss) and Comprehensive Income (Loss):

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Stock options	**959**	781
Share awards	**94**	-
Share based compensation expense	**1,053**	781

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 loss per share for the three months ended March 31, 2026 and 2025:

	Three months ended March 31	
(000s)	**2026**	2025
WA common shares outstanding, basic	**619,118**	595,675
Dilutive effect of warrants (1)	**38,220**	31,391
Dilutive effect of stock options (1)	**2,559**	-
Dilutive effect of share awards (1)	**-**	-
WA common shares outstanding, diluted (2)	**659,897**	627,066
Net loss	**(9,560)**	(394)
$ per common share, basic and diluted	**(0.02)**	(0.00)

(1) Dilutive effect of outstanding securities includes the incremental dilutive impact of the Financing Warrants. Stock options outstanding were dilutive for the three months ended March 31, 2026, however, the stock options were not dilutive based on the treasury stock method during for the three months ended March 31, 2025. Additionally, RSAs outstanding from the date of grant were not dilutive for the three months ended March 31, 2026 under the treasury stock method.

(2) In computing the diluted loss per common share for the three months ended March 31, 2026 and March 31, 2025, the Company excluded the effect of outstanding securities as they were anti-dilutive to the net loss per share.

11. INCOME TAXES

As at March 31, 2026, total tax pools available to the Company are estimated to be $452.5 million (December 31, 2025 – $352.4 million).

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

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Net loss before income taxes	**(12,101)**	(278)
Canadian statutory tax rate (1)	**23.0%**	23.0%
Expected income tax recovery	**(2,783)**	(64)
Increase resulting from:		
Non-deductible expenses (2)	**242**	180
Deferred income tax expense (recovery)	**(2,541)**	116
Current income tax expense	**-**	-
Income tax expense (recovery)	**(2,541)**	116

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

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

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

(CA$ thousands)	Balance at Dec 31, 2025	Recognized in net income	Recognized in balance sheet	**Balance at Mar 31, 2026**
Derivative financial instruments	(2,311)	4,001	-	**1,690**
Accelerated tax basis depreciation	(33,083)	(3,215)	(1,878)	**(38,176)**
Decommissioning obligations	8,004	1,538	1,878	**11,420**
Leases	2,834	2	-	**2,836**
Share and debt issue costs	595	(87)	767	**1,275**
Non-capital losses	7,865	302	-	**8,167**
Deferred income tax liability	(16,096)	2,541	767	**(12,788)**

(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)**

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 2046 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:

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Oil and gas sales		
Crude oil	**31,004**	22,497
Natural gas liquids	**5,740**	3,750
Natural gas	**10,805**	8,438
Oil and gas sales	**47,549**	34,685
Royalties	**(3,935)**	(3,381)
Oil and gas sales, net of royalties	**43,614**	31,304

13. FINANCING

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

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Interest and fees on bank debt	**1,628**	621
Financing cost of lease liabilities	**543**	-
Accretion of decommissioning obligations	**363**	341
Financing expenses	**2,534**	962

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
(CA$ thousands)	**2026**	2025
Accounts receivable	**(5,773)**	(16,917)
Prepaid expenses and deposits	**(696)**	(1,943)
Accounts payable and accrued liabilities	**37,650**	45,821
Foreign exchange	**-**	(19)
Change in non-cash working capital	**31,181**	26,942
Relating to:		
Operating activities	**586**	(185)
Financing activities	**(37)**	(128)
Investing activities	**30,632**	27,255
Change in non-cash working capital	**31,181**	26,942
Cash payments in respect of:		
Interest and fees on bank debt	**4,449**	440
Income taxes	**-**	-

15. CAPITAL MANAGEMENT

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

As at March 31, 2026, 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)	**March 31, 2026**	December 31, 2025
Cash	**(64)**	(47)
Accounts receivable	**(25,374)**	(19,601)
Prepaid expenses and deposits	**(2,243)**	(1,547)
Accounts payable and accrued liabilities	**68,561**	30,911
Adjusted Working Capital deficit	**40,880**	9,716
Bank debt	**77,764**	78,908
Net Debt	**118,644**	88,624
Total shareholders' equity	**376,811**	317,878

Logan had Net Debt of $118.6 million as at March 31, 2026. Net Debt increased compared to Net Debt of $88.6 million at December 31, 2025, primarily due to capital expenditures which exceeded cash flow provided by operating activities during the period, with net proceeds under the 2026 Equity Financings funding the cash outlay for the Acquisition. During the three months ended March 31, 2026, the Company utilized $25.4 million of cash provided by operating activities, net proceeds of $66.7 million from the 2026 Equity Financings and borrowings under its Credit Facility to fund the Company's exploration and development capital expenditures of $54.6 million and acquisition costs of $66.3 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)*	**March 31, 2026**	December 31, 2025
Cash provided by operating activities	**25,364**	33,487
Change in non-cash operating working capital	**(586)**	(1,880)
Add back: transaction costs	**161**	-
Adjusted Funds Flow for the quarter	**24,939**	31,607
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow	**99,756**	126,428
Net Debt	**118,644**	88,624
Net Debt to Annualized AFF Ratio	**1.2 x**	0.7 x

As at March 31, 2026, Logan had Net Debt of $118.6 million, which is approximately 1.2 times the Company's Annualized Adjusted Funds Flow for the first quarter of 2026. The capital intensive nature of Logan's operations may create a working capital deficiency position during periods with high levels of capital investment. The Company maintains sufficient unused bank credit lines to satisfy such working capital deficiencies. As at March 31, 2026, the Company's Net Debt of $118.6 million represented 47% of the authorized borrowing amount available under the Credit Facility of $250.0 million (note 9).

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.

As at March 31, 2026, 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 March 31, 2026:

(CA$ thousands)	2026	2027	2028	2029	2030	Thereafter
Gas transportation (1)	3,822	6,296	12,118	11,868	11,840	36,253
Processing fees (2)	5,755	5,018	5,503	4,138	3,592	14,297
Capital (3)	2,582	-	-	-	-	-
Operating (4)	166	222	203	-	-	-
Total commitments (5)	**12,325**	**11,536**	**17,824**	**16,006**	**15,432**	**50,550**

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

(2) 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 $1.4 million that may become payable in February 2028.

(3) Relates to long-lead equipment and pipeline ordered, along with committed drilling activity, as at March 31, 2026, which will be delivered and executed as part of the Company's 2026 capital program.

(4) Includes operating costs and property tax on the Company's office space.

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