



CANASIA ENERGY CORP.
2022 Third Quarter Financial & Operating Results

Press Release

CALGARY, November 10, 2022

CanAsia Energy Corp. (“CanAsia” or the “Company”) (CEC – TSXV) reports 2022 third quarter consolidated financial and operating results.

The Company is today filing its unaudited consolidated financial statements as at and for the three months ended September 30, 2022 and the period from May 27, 2022 (date of incorporation) to September 30, 2022 and related management’s discussion and analysis with Canadian securities regulatory authorities. Copies of these documents may be obtained online at www.sedar.com or the Company’s website, www.canasiacorp.com.

Commenting today on CanAsia’s 2022 third quarter results, President and CEO Jeff Chisholm stated: “Third quarter activities were dominated by post transaction commitments to the buyer of Pan Orient Energy Corp. The remainder of 2022 will be focused on the long lead time items required for the re-start of production at the Sawn Lake heavy oil project and corporate activities related to Sawn Lake. As we approach year-end 2022, the necessary steps required to optimize the ownership and re-start of the Sawn Lake heavy oil asset will be the focus of the Company and regular updates can be expected by CanAsia shareholders.”

HIGHLIGHTS

➤ On August 25, 2022, CanAsia completed the arrangement that resulted in Pan Orient Energy Corp. (“Pan Orient”) and its Thailand operations being acquired by a third party (the “Arrangement”). The Canadian assets and the discontinued Indonesia operations of Pan Orient were transferred to CanAsia. Further details on the Arrangement are described below. On August 25, 2022, CanAsia is owned by the former shareholders of Pan Orient with 49,793,907 common shares outstanding.

Under the Arrangement completed on August 25, 2022: (a) Dialog Group Berhad of Malaysia acquired all of the issued and outstanding Pan Orient shares and Pan Orient’s Thailand business; (b) Pan Orient shareholders received, for each Pan Orient share held, a cash payment of USD \$0.788 and one CanAsia share; and (c) CanAsia became a public company with shares listed on the TSX Venture Exchange. Pan Orient transferred to CanAsia all of Pan Orient’s non-Thailand assets, including Pan Orient’s 71.8% ownership of Andora Energy Corporation (“Andora”), which has interests in oil sands properties in Sawn Lake, Alberta, convertible loans receivable from Andora, 100% ownership in Pan Orient Energy Holdings Ltd. (“POEH”) with legacy subsidiaries which had held interests in Indonesia, and working capital and non-current deposits. CanAsia assumed all liabilities related to the non-Thailand business, consisting primarily of accounts payable and accrued liabilities included in working capital and the decommissioning provisions.

- CanAsia had working capital and non-current deposits of \$6.9 million and no long-term debt at September 30, 2022.
- Common shares outstanding were 49.8 million at November 8, 2022 and September 30, 2022.
- Net income attributable to common shareholders for the third quarter of 2022 and the period from May 27, 2022 (date of incorporation) to September 30, 2022 was \$55 thousand (\$0.00 per share). Cash flow used in operations in both periods was \$103 thousand (\$0.00 per share). Financial results as at September 30, 2022 are from completion of the Arrangement on August 25, 2022 and the 37 day period from August 25 to September 30, 2022.
- General and administrative expenses of \$217 thousand in the three-month period ending September 30, 2022 and the period from May 27, 2022 to September 30, 2022 comprised primarily of expenses related to personnel and premises, external services, public company costs and non-cash accretion expense.
- Operating expenses of \$36 thousand in the three-month period ending September 30, 2022 and the period from May 27, 2022 to September 30, 2022 were incurred for Andora’s suspended demonstration project facility and wellpair at Sawn Lake Central to safeguard and maintain the assets.
- Pursuant to the Arrangement, CanAsia assumed from Pan Orient two convertible loan agreements with Andora on August 25, 2022. Under the agreements, Andora can draw up to \$2.5 million against one revolving credit facility (the “First Credit Facility”) and up to \$1.3 million against the second revolving credit facility (the “Second Credit Facility”). The loans bear interest at HSBC Canada prime rate for commercial loans in Canadian dollars plus three percent, per annum. Any principal drawn against the respective credit facilities, including accrued interest (collectively, the “outstanding amount”), is repayable upon demand by CanAsia or by December 31, 2022, whichever is earlier. Security for repayment of any outstanding amounts is provided by a general security agreement creating a first fixed charge over all of Andora’s property, subject to certain permitted encumbrances. CanAsia has the option to convert the outstanding amounts, or a portion thereof, into Andora’s common shares, at a price of \$0.15 per share under the First Credit Facility and at a price of \$0.01 per share under the Second Credit Facility.

As at September 30, 2022, a total of \$2.5 million was drawn against the First Credit Facility and \$1.2 million was drawn against the Second Credit Facility. The outstanding amounts due from Andora are not expected to be collected in the foreseeable future.

- The current portion of the decommissioning provision of \$1.0 million as at September 30, 2022 relates to POEH with its legacy subsidiaries which had held interests in the East Jabung and Jambi Production Sharing Contracts in Indonesia. CanAsia is withdrawing from activities in Indonesia and decommissioning related costs are expensed when incurred. The non-current portion of the decommissioning provisions of \$1.4 million as at September 30, 2022 pertained to Andora's business.

OUTLOOK

The remainder of 2022 will be focused on the long lead time items required for the re-start of production at the Sawn Lake heavy oil project and corporate activities related to Sawn Lake. As we approach year-end 2022, the necessary steps required to optimize the ownership and re-start of the Sawn Lake heavy oil asset will be the focus of the Company.

COVID-19 and Ukraine Invasion

Events such as the Covid-19 pandemic and the invasion of Ukraine by Russian forces have resulted in significant disruption to business operations and a significant increase in economic uncertainty, with more volatile commodity prices, currency exchange rates and interest rates, and increasing rates of inflation. These events have led to a challenging economic climate in which it is difficult to reliably estimate the length or severity of these developments and their financial impact. These events and any potential resulting direct and indirect impact on the Company have been considered in management's estimates described above at the period end; however there could be a further prospective material impact in future periods.

Climate Change and Environmental, Social, and Governance ("ESG")

Climate change and ESG culture policies are evolving at regional, national and international levels. Political and economic events may significantly affect the scope and timing of ESG policies and climate change measures. The International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim of developing sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued proposed National Instrument 51-107 Disclosure of Climate-related Matters.

The direct or indirect costs of compliance with greenhouse gas-related regulations and ESG directives may have an adverse effect on the Company's and its customers' businesses, financial condition, results of operations and prospects; however, at this time these costs have not yet been quantified.

Financial and Operating Results

<i>(thousands of Canadian dollars except where indicated)</i>	Three Months Ended September 30, 2022	Period from May 27, 2022 (date of incorporation) to September 30, 2022
FINANCIAL (note 1)		
Financial Statement Results		
Net income attributable to common shareholders	55	55
Per share – basic and diluted	\$ 0.00	\$ 0.00
Cash flow used in operating activities (note 2)	(103)	(103)
Per share – basic and diluted	\$ (0.00)	\$ (0.00)
Cash flow from financing activities (note 2)	9,319	9,319
Per share – basic and diluted	\$ 0.19	\$ 0.19
Working capital and non-current deposits	6,927	6,927
Long-term debt	-	-
Shares outstanding (thousands)	49,794	49,794
General and administrative expense	(217)	(217)
Operating expense	(36)	(36)
Stock-based compensation	(3)	(3)
Amortization	(4)	(4)
Decommissioning recovery	73	73
Finance income	7	7
Foreign exchange gain	308	308
Deferred income tax expense	(90)	(90)
Net loss attributable to non-controlling interest in Andora	17	17
Net income attributable to common shareholders	55	55

- 1) Financial results as at September 30, 2022 are from completion of the Arrangement on August 25, 2022 and the 37 day period from August 25 to September 30, 2022.
- 2) As set out in the Consolidated Statements of Cash Flows in CanAsia's Consolidated Financial Statements.

Cautionary Statements

This press release may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "will", "expect", "believe", "estimate", "should", "anticipate", "potential", "opportunity" or other similar wording.

By its very nature, forward-looking information requires CanAsia and its management to make assumptions that may not materialize or that may not be accurate. In addition, forward-looking information is subject to known and unknown risks and uncertainties and other factors, some of which are beyond the control of CanAsia, which could cause actual events, results, expectations, achievements or performance to differ materially. Although CanAsia believes that the expectations reflected in its forward-looking information are reasonable, it can give no assurances that those expectations will prove to be correct. CanAsia undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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