



CANASIA ENERGY CORP.
2023 First Quarter Financial & Operating Results

Press Release

CALGARY, May 10, 2023

CanAsia Energy Corp. ("CanAsia" or the "Company") (CEC – TSXV) reports 2023 first quarter consolidated financial and operating results.

The Company is today filing its unaudited consolidated financial statements as at and for the three months ended March 31, 2023 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 2023 first quarter results, President and CEO Jeff Chisholm stated: "The majority of obligations with regard to the earlier sale of Pan Orient Energy Corp. have now been fulfilled. Recent activities have been focused on long lead time environmental approvals/inspections at Sawn Lake and evaluating options for the upcoming onshore Thailand bid round that is anticipated to be announced in 2023."

HIGHLIGHTS

- CanAsia had working capital totaling \$3.1 million, no long-term debt and shareholders' equity of \$2.2 million at March 31, 2023.
- Common shares outstanding were 49.8 million at May 8, 2023 and March 31, 2023.
- Net loss attributable to common shareholders for the first quarter of 2023 was \$1.3 million (\$0.03 per share). Cash flow used in operations for the first quarter of 2023 was \$84 thousand (\$0.00 per share).
- General and administrative expense in the first quarter of 2023 was \$529 thousand, comprised primarily of expenses related to personnel and premises, external services, and public company costs.
 - Personnel and premises costs in the first quarter of 2023 were \$189 thousand. These costs include salaries, and benefits for employees, and fees incurred for consultants and contractors. They also include rent and other office costs related to the Company's Calgary office.
 - External services costs in the first quarter of 2023 were \$235 thousand, mainly related to professional fees for legal, audit and tax services.
 - Public company costs of \$94 thousand in the first quarter of 2023 were incurred for maintaining the Company's status as a public company.
- Operating expenses in the first quarter of 2023 were \$90 thousand and were incurred to safeguard and maintain the assets of Andora Energy Corporation's ("Andora") suspended Steam Assisted Gravity Drainage project facility and wellpair at Sawn Lake Central.
- The natural gas pipeline tariff agreement which was entered into between Andora and a third party in 2018 with a commencement date of May 1, 2023 is considered an onerous contract as of March 31, 2023 under IAS 37. The Company has recognized a provision of \$0.9 million representing the net cost of fulfilling the contract.
- The current portion of the decommissioning provision of \$0.9 million as at March 31, 2023 relates to the legacy subsidiaries of Pan Orient Energy Holdings Ltd. ("POEH") 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 provision of \$1.4 million as at March 31, 2023 pertained to Andora's interests in Sawn Lake, Alberta.
- In February 2023, Andora sold equipment to a third party for \$100 thousand. The net book value of the equipment was \$nil, resulting in a gain on sale of \$100 thousand.
- On February 28, 2023, the board of directors of Andora accepted a formal proposal made by CanAsia with respect to a transaction (the "Andora Transaction") whereby the outstanding shares of Andora were consolidated (the "Consolidation") and all fractional shares resulting from the Consolidation were redeemed by Andora and cancelled, and the holders thereof would be entitled to receive a cash redemption payment of \$0.044 for each pre-Consolidation share of Andora. As part of the Andora Transaction all issued and outstanding options to acquire shares of Andora were surrendered for their "in-the-money" value.

- The Andora Transaction was approved by shareholders of Andora at a special meeting held on March 27, 2023. All other conditions to the Andora Transaction becoming effective were also satisfied or waived, and the Andora Transaction was completed on March 27, 2023. As a result of the Andora Transaction, Andora now has 1 common share outstanding. CanAsia, which previously owned 88.2% of the outstanding shares of Andora as at December 31, 2022, now owns 100% of Andora. Non-controlling interest was reduced to \$nil on March 27, 2023, with a corresponding offset to deficit.
- Consideration paid for redeeming fractional shares pursuant to the Andora Transaction amounted to \$1.24 million. Andora paid former option holders a total of \$0.33 million, representing the "in-the-money" value of all the options surrendered. Other expenses of the Andora Transaction totaled \$0.1 million.

OUTLOOK

The majority of obligations with regard to the earlier sale of Pan Orient Energy Corp. have now been fulfilled. Future activities will be focused on long lead time environmental approvals/inspections at Sawn Lake and participating in an onshore Thailand bid round that is anticipated to be announced in 2023.

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

Three months ended and as at
March 31,
2023

(\$000s of Canadian dollars except where indicated)

FINANCIAL

Financial Statement Results	
Net loss attributable to common shareholders ⁽¹⁾	(1,265)
Per share – basic and diluted	\$ (0.03)
Cash flow used in operating activities ⁽²⁾	(84)
Per share – basic and diluted	\$ (0.00)
Cash flow used in investing activities ⁽²⁾	(1,580)
Per share – basic and diluted	\$ (0.03)
Cash flow used in financing activities ⁽²⁾	(2)
Per share – basic and diluted	\$ (0.00)
Working capital	3,099
Shareholders' equity ⁽³⁾	2,194
Shares outstanding (000s)	49,794
General and administrative expense ⁽¹⁾	(529)
Operating expense ⁽¹⁾	(90)
Natural gas pipeline tariff expense ⁽¹⁾	(901)
Stock-based compensation ⁽¹⁾	(38)
Amortization ⁽¹⁾	(16)
Decommissioning recovery ⁽¹⁾	46
Gain on sale of equipment ⁽¹⁾	100
Finance income ⁽¹⁾	83
Foreign exchange gain ⁽¹⁾	31
Deferred income tax recovery ⁽¹⁾	22
Net loss attributable to non-controlling interest in Andora ⁽¹⁾	27
Net loss attributable to common shareholders ⁽¹⁾	(1,265)

1) As set out in the Consolidated Statement of Operations and Comprehensive Loss in CanAsia's Consolidated Financial Statements.

2) As set out in the Consolidated Statement of Cash Flows in CanAsia's Consolidated Financial Statements.

3) As set out in the Consolidated Statement of Changes in Shareholders' Equity 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. Forward-looking information in this press release may include, but is not limited to, the strength of the Company's financial position; the need for and availability of additional capital; plans for development of the Sawm Lake heavy oil project; and the anticipated onshore Thailand oil and gas licensing round.

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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