



CANASIA ENERGY CORP.

**CANASIA ANNOUNCES DECEMBER 31, 2023 CONTINGENT BITUMEN RESOURCES FOR
SAWN LAKE, ALBERTA SAGD PROJECT OF ANDORA ENERGY CORPORATION
AND SELECTION OF ANDORA ENERGY CORPORATION AS SUCCESSFUL BIDDER TO
ACQUIRE ADDITIONAL SAWN LAKE ASSETS FROM RECEIVERSHIP**

Press Release

CALGARY, April 29, 2024

CanAsia Energy Corp. (“CanAsia”) (CEC – TSXV), on behalf of its wholly owned subsidiary Andora Energy Corporation (“Andora”), is pleased to release the December 31, 2023 Contingent Bitumen Resources Report (“Resources Report”) which is a National Instrument 51-101 compliant resources evaluation for Andora’s oil sands interests at Sawn Lake Alberta, Canada, as evaluated by independent qualified reserves evaluator Sproule Associates Limited (“Sproule”). The evaluation included all of Andora’s Oil Sands Leases at Sawn Lake based on exploitation using Steam Assisted Gravity Drainage (“SAGD”).

CanAsia further announced today that Andora has been selected as the successful bidder to acquire certain assets (the “Assets”) of Northern Alberta Oil Ltd. (“NAOL”) and Deep Well Oil & Gas (Alberta) Ltd. (“Deep Well” and, together with NAOL, the “Debtors”), including the Debtor’s 25% working interest in 11 sections of the Sawn Lake Central block, from Ernst & Young Inc., as receiver and manager (the “Receiver”) of certain of the Debtors’ present and after-acquired properties, assets and undertakings (collectively, the “Property”), for a purchase price equal to \$2.0 million (net approximately \$1.3 million following receipt of amounts owing from the Debtors to Andora).

Please note that unless otherwise stated, amounts are in Canadian dollars and volumes and financial amounts are net to Andora’s interests as at December 31, 2023.

Highlights of Sawn Lake, Alberta Contingent Resources Report as of December 31, 2023

- The Resources Report reflects the development plan for Sawn Lake Central and Sawn Lake South of staged development with five standardized “battery scale” SAGD facilities where growth is primarily funded by cash flow generated by the project. The SAGD batteries will be capable of producing 5,000 to 6,000 barrels of bitumen per day (BOPD) each and will utilize Andora’s proprietary Produced Water Boiler (“PWB”) technology which will use water from SAGD production to generate steam and meet water recycle requirements in Alberta. This strategy is expected to significantly reduce financial, reservoir and operating risk.
- The Resource Report at December 31, 2023 reflects the use of a 1,600 metre horizontal SAGD wellpair design with industry standard Inflow Control Devices (“ICDs”) to reduce the number of required wellpairs to develop the contingent resources. The number of new wellpairs required to develop the contingent resources is reduced from 359 to 182. The unrisks net present value, discounted at 15% for Andora’s interests as at December 31, 2023, is increased relative to the December 31, 2022 Resources Report \$50 million on an after-tax basis for the “Best Case”, \$28 million on an after-tax basis for the “Low Case” and \$62 million on an after-tax basis for the “High Case”.
- The unrisks “Best Estimate” net present value discounted at 10% and 15% for Andora’s interests as at December 31, 2023 is \$665 million and \$281 million on an after-tax basis, respectively.
- The Resources Report assigned an 85% chance of development for Sawn Lake, and the risks “Best Estimate” contingent resources for Andora as at December 31, 2023 are 244.2 million barrels of bitumen recoverable. The risks “Best Estimate” net present value, discounted at 10% and 15%, for Andora’s interests as at December 31, 2023 is \$567 million and \$240 million on an after-tax basis, respectively.
- While use of ICDs and longer horizontal length to boost SAGD production is now industry standard ultimate recoveries over the entire well life cycle has not yet been demonstrated. This is reflected in the December 31, 2023 Resource Report in which contingent resources are adjusted for the “Low Case” to 90%, “Best Case” to 98% and “High Case” to 109% of resources reported in the December 31, 2022 Resource Report. It is expected that ICDs should increase steam conformance and ultimate recoveries. The ultimate recovery factors will be reviewed and adjusted as necessary as more industry ICD production data becomes available.
- Contingent resources have been assigned to the Sawn Lake Central and Sawn Lake South blocks of Sawn Lake. The unrisks “Best Estimate” contingent resources for Andora as at December 31, 2023 are 287.3 million barrels of bitumen recoverable.

- Andora is the operator of both blocks and currently holds a 75% working interest in the 11 sections of the Central Block, which have been assigned 212.8 million barrels of unrisks “Best Estimate” recoverable bitumen (net to Andora’s interests as at December 31, 2023) and holds a 100% working interest in the 16 sections of the South Block, which have been assigned 74.5 million barrels of unrisks recoverable bitumen.
- The Resources Report forecasts bitumen production from 2025 to 2111, with maximum unrisks “Best Estimate” production net to Andora (based on its working interest as at December 31, 2023) of 21,442 BOPD in 2039.
- The potential first stage of commercial development is at Sawn Lake Central Battery #1 (where Andora is operator and currently holds a 75% working interest, which will increase to 100% following closing of the purchase and sale of the Assets from the Receiver) to reactivate the existing SAGD facility with a new 1,600 metre horizontal length SAGD wellpair for restart of bitumen production in 2025. On a 100% working interest basis, the estimated capital cost (excluding operating losses until plateau production is reached) is \$13.7 million and plateau production is 1,210 BOPD in 2026. The potential second stage of commercial development starts with the installation of a Produced Water Boiler (PWB) in 2026 to demonstrate effectiveness and the restart of the existing wellpair 1. This is expected to be followed in 2027 and 2028 with the drilling of an additional wellpair and related facilities work largely funded by cash flow. On a 100% working interest basis, the estimated capital cost is \$29.7 million in 2026 to 2028 with plateau production at 2,780 BOPD in 2029. Regulatory approval for the Sawn Lake commercial operation to 3,200 BOPD was received in December 2017. The facility with additional wellpairs could be expanded in 2029 and 2030 after regulatory approval to increase production to 5,635 BOPD. Four additional batteries would be constructed for full field development. The timing of individual batteries is dependent on regulatory approval and after-tax cash flow from existing operations for funding of new investment. Volume and capital costs estimates are on a 100% working interest basis.

Resources Report

- The Resources Report evaluated Andora’s interests at the Sawn Lake Alberta oil sands project. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. The contingent resources volumes estimated in the Resources Report are considered contingent until such time as there are additional delineation wells confirming reservoir quality and continuity, refinement of the commercial development plan, regulatory approval for full field development, corporate commitment to move forward and financing for commercial development. Contingent resources are further classified as “High”, “Best” and “Low” in accordance with the level of certainty.
- Sproule classifies the project evaluation status of the contingent resource volumes to be at the Development Studies level. The contingent resource volumes are classified as Development Pending with respect to project maturity. Sproule evaluated Andora’s development plan for the contingent resources to be Economically Viable in the aggregate, although there may be individual locations within the project which may be uneconomic.
- Contingent resource volumes in the Resources Report have been assigned an 85% chance of development by Sproule. This chance of development risk factor is an aggregation of risk factors attributable to the identified contingencies. There is uncertainty that it will be commercially viable to produce any portion of the reported contingent resources volumes.
- The Resources Report identified key positive and negative factors for development of the Bluesky formation in the Sawn Lake area. Key positive factors include: the abundance of well data available from penetrations on and surrounding Andora’s lands (petrophysical, geophysical and production history); the presence of successful analog SAGD projects; and the successful pilot project at the 16-30-91-12W5M location. Key negative factors include: access to the funding required to develop the resource base; sensitivity to low commodity pricing which will impact the economics of development; environmental and regulatory approval for approval of bitumen development, pipelines and other infrastructure; higher Alberta or Federal Carbon tax, income tax or royalties; and market egress.
- The December 31, 2023 Contingent Resources Report represents an update of a December 31, 2022 Contingent Resources Report which was also prepared by Sproule. The December 31, 2023 report has been updated for:
 - December 31, 2023 price forecasts for crude oil, bitumen, natural gas and exchange rates.
 - The reduction of required new wellpairs from 359 to 182 utilizing 1,600 metre horizontal SAGD wellpairs with associated changes to well type curves, overall forecast bitumen volumes and assigned development risk.
 - Adjustment of the development stages for potential commencement of commercial production in 2025 and development matched to internal funding. A Sawn Lake reactivation commences with the drilling and completion of a 1,600 metre horizontal SAGD well followed by plant expansions as internally generated cash flow allows.
 - Updates for Andora tax pools and non-capital loss carry-forwards of \$63.3 million and the Alberta Oil Sands Royalties Pre-payout Cumulative Costs of \$51.2 million for the Sawn Lake Project.
 - Changes to income tax rates, carbon tax legislation and other factors.

Andora Selected as Successful Bidder to Acquire Additional Sawn Lake Assets from Receivership

On March 8, 2024, Andora applied for and received an order from the Court of King's Bench of Alberta (the "Court"), appointing the Receiver as receiver and manager of the Debtors' Property. The Court also approved a proposed sales and investment solicitation process (the "SISP"), which contemplated and included a stalking horse asset purchase agreement (the "Stalking Horse APA") between the Debtors, by and through the Receiver, as vendors, and Andora, as purchaser.

Pursuant to the SISP, the Receiver marketed the Property with Andora's Stalking Horse APA serving as a "stalking horse bid" for the Assets. Following the receipt of a bid by the bid deadline on April 19, 2024, the Receiver conducted an auction process for the Property on April 29, 2024. Andora participated in the auction process and was ultimately selected as the successful bidder.

The Assets include all of the Debtors' right, title and interest, in and to the Joint Operating Agreement (the "JOA") dated January 1, 2014 between Andora, MP Energy West Canada Corp and the Debtors, the ownership of working interest in the Joint Lands and the Joint Assets (each as defined in the JOA), as well as certain related interests.

Following closing of the purchase and sale of the Assets, Andora's working interest in the 11 gross sections at the Sawn Lake Central block will increase from 75% to 100%. Under the SISP, closing of the purchase and sale of the Assets is expected to occur in May 2024 and is subject to the approval of the Court and the Alberta Energy Regulator.

Sawn Lake SAGD Development

Andora holds interests in 27 sections (currently 24.25 net sections) of heavy oilsands leases in Sawn Lake, within the central Alberta Peace River Oil Sands region. Andora is focused on developing the bitumen resources at Sawn Lake using SAGD development. Contingent resources have been assigned to the Sawn Lake Central block and Sawn Lake South block where Andora is the operator.

A SAGD demonstration project at the Sawn Lake Central block commenced in 2013 and consisted of one SAGD wellpair drilled to a depth of 650 metres and a horizontal length of 780 metres and a SAGD facility for steam generation, water handling and bitumen treating. Steam injection commenced in May 2014 and produced bitumen from September 2014 to February 2016. The demonstration project reached a steady state production level in February 2016 of 620 BOPD with an instantaneous steam-oil ratio ("ISOR") of 2.1. The demonstration project successfully captured the key data associated with the objectives of the demonstration project and operations were suspended at the end of February 2016. The demonstration project proved that the SAGD process works in the Bluesky formation at Sawn Lake, established characteristics of ramp up through stabilization of SAGD performance, indicated the productive capability, ISOR, and provided critical information required for well and facility design associated with future commercial development. Production results to date are not necessarily indicative of long-term performance or of ultimate recovery and the Sawn Lake demonstration project has not yet proven that it is commercially viable.

The development plan for Sawn Lake Central and Sawn Lake South is for development in stages with five standardized "battery scale" SAGD facilities where growth is primarily funded by net operating income generated by the project. After tax cash flow in the Sproule evaluation is Andora's share, as at December 31, 2023, of revenue less royalty burden, operating expenses, abandonments, capital expenditures and income tax.

The potential first stage of commercial development is at Sawn Lake Central Battery #1 (where Andora is operator and currently holds a 75% working interest, which will increase to 100% following closing of the purchase and sale of the Assets from the Receiver) to reactivate the existing SAGD facility with a new 1,600 metre horizontal length SAGD wellpair for restart of bitumen production in 2025. On a 100% working interest basis, the estimated capital cost for the best case (2C) contingent resources (excluding operating losses until plateau production is reached) is \$13.7 million and plateau production of 1,210 BOPD in 2026. The potential second stage of commercial development forecast is the installation of a Produced Water Boiler (PWB) in 2026 to demonstrate effectiveness and the restart of the existing wellpair 1. This is expected to be followed in 2027 and 2028 with the drilling of an additional wellpair and related facilities work largely funded by cash flow. On a 100% working interest basis, the estimated capital cost is \$29.7 million in 2026 to 2028 with plateau production at 2,780 BOPD in 2029. Regulatory approval for the Sawn Lake commercial operation to 3,200 BOPD was received in December 2017. The facility with additional wellpairs could be expanded in 2029 and 2030 after regulatory approval to increase production to 5,635 BOPD. Four additional batteries would be constructed for full field development. The timing of individual batteries is dependent on regulatory approval and after-tax cash flow from existing operations for funding of new investment. Volume and capital costs estimates are on a 100% working interest basis.

It is recognized that stable crude oil prices, and specifically Western Canada Select benchmark prices, will have a significant impact on project economics and financing, and on decisions regarding the timing and extent of future development.

Andora Sawn Lake, Alberta Interests at December 31, 2023

	Gross Sections	Working Interest	Unrisked Best Estimate Contingent Resources - Company Gross (million barrels)
Central Block (Andora operated)	11	75%	212.8
South Block (Andora operated)	16	100%	74.5
	27		287.3

Summary of Contingent Bitumen Resources of Andora as of December 31, 2023 as provided by Sproule

Marketable Resources - Company Gross (million barrels)	
Risky (evaluation assigned an 85% chance of development)	
Contingent - Low Estimate "1C"	199.6
Contingent - Best Estimate "2C"	244.2
Contingent - High Estimate "3C"	318.8
Unrisked	
Contingent - Low Estimate "1C"	234.8
Contingent - Best Estimate "2C"	287.3
Contingent - High Estimate "3C"	375.0

Sawn Lake Oil Sands Project of Andora
Summary of Net Present Values as of December 31, 2023
Contingent Resources as provided by Sproule
(Cdn\$ million)

	0%	5%	10%	15%	20%
Net Present Values Before Tax (Risky)					
Contingent - Low Estimate "1C"	6,146	1,594	560	237	113
Contingent - Best Estimate "2C"	8,787	2,158	744	318	156
Contingent - High Estimate "3C"	14,474	2,944	926	381	185
Net Present Values After Tax (Risky)					
Contingent - Low Estimate "1C"	4,736	1,220	425	178	84
Contingent - Best Estimate "2C"	6,768	1,655	567	240	116
Contingent - High Estimate "3C"	11,156	2,261	708	290	140
Net Present Values Before Tax (Unrisked)					
Contingent - Low Estimate "1C"	7,228	1,874	658	278	133
Contingent - Best Estimate "2C"	10,335	2,537	874	373	182
Contingent - High Estimate "3C"	17,025	3,462	1,089	448	217
Net Present Values After Tax (Unrisked)					
Contingent - Low Estimate "1C"	5,567	1,433	498	208	98
Contingent - Best Estimate "2C"	7,958	1,944	665	281	136
Contingent - High Estimate "3C"	13,120	2,657	831	339	163

- 1 For risky resources and values, the evaluation assigned an 85% chance of development for Sawn Lake.
- 2 Resources assessed at forecast crude oil reference prices and costs.
- 3 Bitumen production is forecast to commence in 2025.
- 4 The reference prices for heavy oil per barrel (Western Canada Select "WCS" 20.5 API in Canadian dollars) are \$81.33 for 2024, \$84.67 for 2025, \$84.33 for 2026, \$86.02 for 2027, \$87.74 for 2028, \$89.50 for 2029, \$91.29 for 2030 and increase at 2% per year thereafter.
- 5 Bitumen revenue per barrel for these resources is \$17.45 less than the associated WCS reference price in 2025 and the differential increases approximately 1.4% per year.
- 6 The reference prices for natural gas (AECO-C Spot price per MMBTU in Canadian dollars) are \$2.33 for 2024, \$3.64 for 2025, \$3.95 for 2026, \$4.03 for 2027, \$4.11 for 2028, \$4.19 for 2029, \$4.27 for 2030 and increase at 2% per year thereafter.
- 7 Future development costs (including inflation of 2% per annum thereafter) for Contingent Resources which have been deducted in calculating the before tax NPV:
 - Unrisked Low Estimate – CDN\$2,699 million with the drilling of 182 gross well pairs and building facilities
 - Unrisked Best Estimate – CDN\$2,847 million with the drilling of 182 gross well pairs and building facilities
 - Unrisked High Estimate – CDN\$2,975 million with the drilling of 182 gross well pairs and building facilities
- 8 The values disclosed may not represent fair market value.
- 9 There is uncertainty that it will be commercially viable to produce any portion of the resources.

CanAsia is a Calgary, Alberta based oil and gas company with operations in Western Canada.

This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "could", "will", "anticipate" and "potential" or other similar wording. Forward-looking information in this press release includes, without limitation, references, express or implied, to estimates of contingent resources volumes and the net present value thereof, the expected development plan for Sawn Lake, including the estimated costs thereof, the use of, and expected results from, ICDs and the PWB, forecast production volumes and the closing of the purchase and sale of the Assets, including the resulting increase in Andora's working interest in the Sawn Lake Central block. By its very nature, the forward-looking information contained in this press release requires CanAsia and its management to make assumptions that may not materialize or that may not be accurate. With respect to the forward-looking statements contained in this press release, CanAsia has made assumptions regarding, among other things, estimated resources volumes; the Sawn Lake development plan, including the timing and cost thereof; the commercial viability of producing CanAsia's resources; sources of funding; current and future commodity prices and royalty rates and regimes; timing of receipt of Court and regulatory approvals; availability of skilled labour; timing and amount of capital expenditures; future cash flows; future exchange rates; the impact of competition; general economic and financial conditions; the availability of drilling and other equipment; the effectiveness of technologies, including ICDs and the PWB; future bitumen production; effects of regulation by governmental agencies; future operating costs; and other matters. In addition, the forward-looking information contained in this press release 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 results, expectations, achievements or performance to differ materially, including, without limitation, imprecision of resources estimates and estimates of recoverable quantities of oil; inability to access sufficient capital or generate sufficient cash flow to fund the Sawn Lake development plan; adverse outcomes of Court or regulatory proceedings, including failure to obtain the approval of the Court or the Alberta Energy Regulator for the purchase and sale of the Assets; delays in Court or regulatory proceedings; changes in project schedules; operating and reservoir performance; the effects of weather and climate change; the results of exploration and development drilling and related activities; changes in demand for oil and gas; commodity price volatility; uncertainty of production estimates; impact of the changes in the economy; well performance and marketability of production; transportation and refining availability and costs; exploration and development costs; the recoverability of estimated resources volumes; failure of new technologies, including ICDs and PWB, to achieve expected results; CanAsia's ability to add reserves through development and exploration activities; fluctuations in currency exchange rates; changes in government legislation and regulations, including royalty and tax laws; the results of commercial negotiations; the timing and outcome of applications for government approvals; the factors for development set forth in the Resources Report and other technical and economic factors or revisions. 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.

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