



CANASIA ENERGY CORP.
2024 Second Quarter Financial & Operating Results

Press Release

CALGARY, August 15, 2024

CanAsia Energy Corp. (“CanAsia” or the “Company”) (CEC – TSXV) reports 2024 second quarter consolidated financial and operating results.

The Company is today filing its unaudited consolidated financial statements (“financial statements”) as at and for the six months ended June 30, 2024 and related management’s discussion and analysis (“MD&A”) with Canadian securities regulatory authorities. Copies of these documents may be obtained online at www.sedarplus.com or the Company’s website, www.canasiacorp.com.

Commenting today on CanAsia’s 2024 second quarter results, President and CEO Jeff Chisholm stated: “The second quarter of 2024 saw the completion of: a) the restructuring of CanAsia’s interests in the Sawn Lake heavy oil project, resulting in the Company now holding operatorship and a 100% working interest in the project, and b) an updated Sawn Lake contingent resources report that incorporates an extended well pair design and a 100% project ownership. These activities now set the stage for a potential partial or complete divestment of CanAsia’s Sawn Lake interests to a third party. Working on a potential Sawn Lake divestment will be the Company’s primary focus for the remainder of 2024 while the Company also awaits an announcement regarding the commencement of the onshore Thailand bid round, which is anticipated to be announced prior to year-end 2024.”

HIGHLIGHTS

- CanAsia had working capital totaling \$4.4 million, no long-term debt and shareholders’ equity of \$9.1 million at June 30, 2024.
- Common shares outstanding were 112.8 million at August 13, 2024 and at June 30, 2024.
- In May 2024, Andora acquired (the “Acquisition”) certain assets (the “Assets”) from Northern Alberta Oil Ltd.’s (“NAOL”) and Deep Well Oil & Gas (Alberta) Ltd.’s (“Deep Well”) and, together with NAOL, the “Debtors”) pursuant to Court approved receivership proceedings for a purchase price equal to \$2.0 million (which includes the assumption of various obligations). The net consideration paid was approximately \$1.3 million. The Assets included the Debtors’ 25% working interest in various heavy oil sands leases in Sawn Lake, within the central Alberta Peace River Oil Sands region. Following the Acquisition, Andora’s working interest in the Sawn Lake Central block increased from 75% to 100%.
- The Acquisition was accounted for as an asset acquisition and the Exploration and Evaluation (“E&E”) assets acquired were recorded in the financial statements at \$1.4 million. Management of CanAsia has determined that the amount of \$1.4 million represents the fair value of the 25% Sawn Lake working interest acquired by Andora. As a result, the Company has partially reversed an impairment of E&E assets previously recorded in March 2020 by an amount of \$4.2 million, to reflect the current carrying value of the remaining 75% Sawn Lake working interest already owned by Andora prior to the Acquisition. The carrying value of the E&E assets was \$5.7 million at June 30, 2024.

As at June 30, 2024, Andora’s Sawn Lake Project is considered to be in its evaluation stage. Recoverability of the Company’s investment in the E&E assets is dependent on determining the technical feasibility of the project, obtaining additional financing, and successfully completing the development of the project. Capitalized costs incurred to date do not necessarily represent present or future values.

- On January 16, 2024, the Company completed a brokered private placement financing for gross proceeds of \$1.258 million comprised of 12,580,000 common shares at a price of \$0.10 per common share. In connection with the brokered private placement, the Company recorded \$118 thousand in share issue costs, comprised of \$116 thousand in commission and fees and the estimated fair value of \$2 thousand associated with 24,600 broker warrants issued to the broker. Each broker warrant is exercisable for common shares at a price of \$0.10 per common share for a period of two years from the issue date.

- On December 21, 2023, the Company completed a brokered private placement financing for gross proceeds of \$5.042 million comprised of 50,420,000 common shares at a price of \$0.10 per common share. In connection with the Private Placement, the Company recorded \$533 thousand in share issue costs, comprised of \$416 thousand in commission and fees and the estimated fair value of \$117 thousand associated with 1,825,200 broker warrants issued to the broker. Each broker warrant is exercisable for common shares at a price of \$0.10 per common share for a period of two years from the issue date.
- Net income attributable to common shareholders in the second quarter of 2024 was \$3.3 million (\$0.03 per share) compared to net loss of \$0.7 million (\$0.01 per share) in the second quarter of 2023.
- Cash flow used in operations in the second quarter of 2024 was \$0.8 million (\$0.01 per share) compared to \$1.1 million (\$0.02 per share) in the second quarter of 2023.
- During the second quarter of 2024, the Company granted options to directors, officers, and an employee to purchase an aggregate of 8.1 million common shares under CanAsia's equity incentive plan.
- General and administrative expense in the second quarter of 2024 was \$0.6 million compared to \$0.5 million in the second quarter of 2023. General and administrative expense is comprised primarily of expenses related to personnel and premises, external services, and public company costs. The increase was mainly due to higher legal fees related to enforcement actions against joint venture interest holders and engineering costs.
- Operating expenses in the second quarter of 2024 were \$0.2 million compared to \$0.1 million in the second quarter of 2023. These expenses were incurred to safeguard and maintain the assets of Andora's suspended SAGD project facility and wellpair at Sawn Lake Central.
- The current portion of the decommissioning provision of \$0.6 million as at June 30, 2024 relates to the legacy subsidiaries of POEH which had held interests in the East Jabung Production Sharing Contract in Indonesia and a well pertaining to Andora's interests in Sawn Lake, Alberta. CanAsia is withdrawing from activities in Indonesia and decommissioning related costs are expensed when incurred. The non-current portion of the decommissioning provision of \$1.8 million as at June 30, 2024 pertained to Andora's interests in Sawn Lake, Alberta.
- Impairment recovery in the second quarter of 2024 of \$4.2 million relates to a partial impairment reversal with respect to a 75% Sawn Lake working interest owned by Andora, as discussed above.

OUTLOOK

The second quarter of 2024 saw the completion of: a) the restructuring of CanAsia's interests in the Sawn Lake heavy oil project, resulting in the Company now holding operatorship and a 100% working interest in the project, and b) an updated Sawn Lake contingent resources report that incorporates an extended well pair design and a 100% project ownership. These activities now set the stage for a potential partial or complete divestment of CanAsia's Sawn Lake interests to a third party. Working on a potential Sawn Lake divestment will be the Company's primary focus for the remainder of 2024 while the company also awaits an announcement regarding the commencement of the onshore Thailand bid round, which is anticipated to be announced prior to year-end 2024.

Financial and Operating Results

	Three months ended June 30,		Six months ended June 30,	
<i>(\$000s of Canadian dollars except where indicated)</i>	2024	2023	2024	2023
FINANCIAL				
Financial Statement Results				
Net income (loss) attributable to common shareholders ⁽¹⁾	3,264	(676)	2,663	(1,941)
Per share – basic and diluted	\$ 0.03	\$ (0.01)	\$ 0.02	\$ (0.04)
Cash flow used in operating activities ⁽²⁾	(819)	(1,053)	(1,738)	(1,137)
Per share – basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.02)
Cash flow used in investing activities ⁽²⁾	(1,334)	(11)	(1,334)	(1,591)
Per share – basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.03)
Cash flow from (used in) financing activities ⁽²⁾	(10)	(10)	1,130	(12)
Per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ (0.00)
Working capital	4,360	2,395	4,360	2,395
Shareholders' equity ⁽³⁾	9,071	1,536	9,071	1,536
Weighted average shares outstanding (000s)	112,794	49,794	111,757	49,794
General and administrative expense ⁽¹⁾	(625)	(480)	(1,270)	(1,009)
Operating expense ⁽¹⁾	(198)	(145)	(383)	(235)
Natural gas pipeline tariff recovery (provision) ⁽¹⁾	23	-	94	(901)
Stock-based compensation ⁽¹⁾	(305)	(29)	(314)	(67)
Amortization ⁽¹⁾	(15)	(16)	(29)	(32)
Decommissioning recovery (provision) ⁽¹⁾	5	(53)	47	(7)
Gain on sale of equipment ⁽¹⁾	-	-	-	100
Impairment recovery ⁽¹⁾	4,242	-	4,242	-
Finance income ⁽¹⁾	115	73	249	156
Foreign exchange gain (loss) ⁽¹⁾	22	(26)	27	5
Deferred income tax recovery ⁽¹⁾	-	-	-	22
Net income (loss) attributable to non-controlling interest in Andora ⁽¹⁾	-	-	-	(27)
Net income (loss) attributable to common shareholders ⁽¹⁾	3,264	(676)	2,663	(1,941)

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

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

⁽³⁾ As set out in the Consolidated Statements 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; statements with respect to the potential partial or complete divestment of the Company's interests in the Sawn 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. See "Forward-Looking Statements" in CanAsia's management's discussion and analysis for the six months ended June 30, 2024 for more information on the assumptions on which the Company has relied and the risks and uncertainties and other factors that could impact the forward-looking information in this press release. 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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