



**CANASIA ENERGY CORP.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

**(Unaudited)**

**CanAsia Energy Corp.**  
**Consolidated Statements of Financial Position**  
*(Unaudited)*

(\$000s)	June 30, 2025	December 31, 2024
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	5,276	7,242
Accounts receivable and prepaid expenses	374	290
	<b>5,650</b>	<b>7,532</b>
<b>Restricted Cash</b>	<b>67</b>	<b>61</b>
<b>Right-of-use asset</b>	<b>8</b>	<b>18</b>
<b>Deposits</b> (note 6)	<b>1,268</b>	<b>1,188</b>
<b>Intangible asset</b> (note 3)	<b>270</b>	<b>289</b>
<b>Exploration and evaluation assets</b> (note 4)	<b>5,749</b>	<b>5,780</b>
<b>Total assets</b>	<b>13,012</b>	<b>14,868</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	3,298	3,486
Lease liabilities	9	22
Natural gas pipeline tariff provision (note 5)	289	291
Decommissioning provision (note 6)	594	620
	<b>4,190</b>	<b>4,419</b>
<b>Natural gas pipeline tariff provision</b> (note 5)	<b>690</b>	<b>742</b>
<b>Decommissioning provision</b> (note 6)	<b>1,730</b>	<b>1,869</b>
<b>Total liabilities</b>	<b>6,610</b>	<b>7,030</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	12,629	12,629
Contributed surplus	989	795
Broker warrants (note 7)	119	119
Deficit	(7,335)	(5,705)
<b>Total shareholders' equity</b>	<b>6,402</b>	<b>7,838</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,012</b>	<b>14,868</b>

See accompanying notes to the interim condensed consolidated financial statements.

**CanAsia Energy Corp.****Consolidated Statements of Operations and Comprehensive Income (Loss)***(Unaudited)*

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
(\$000s, except per share amounts)	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Expenses (Income)</b>				
General and administrative	<b>546</b>	625	<b>1,030</b>	1,270
Operating expense	<b>151</b>	198	<b>315</b>	383
Natural gas pipeline tariff provision (recovery) (note 5)	<b>14</b>	(23)	<b>(16)</b>	(94)
Stock-based compensation	<b>84</b>	305	<b>194</b>	314
Amortization (note 3)	<b>15</b>	15	<b>29</b>	29
Decommissioning recovery	-	(5)	-	(47)
Loss on decommissioning provision settlement (note 6)	-	-	<b>31</b>	-
Impairment recovery (note 4)	-	(4,242)	-	(4,242)
Finance income	<b>(10)</b>	(115)	<b>(20)</b>	(249)
Foreign exchange loss (gain)	<b>100</b>	(22)	<b>67</b>	(27)
	<b>900</b>	(3,264)	<b>1,630</b>	(2,663)
<b>Net Income (loss) and comprehensive income (loss)</b>	<b>(900)</b>	3,264	<b>(1,630)</b>	2,663
Basic and diluted - net income (loss) per common share (note 7)	(\$ 0.01)	\$ 0.03	(\$ 0.01)	\$ 0.02

See accompanying notes to the interim condensed consolidated financial statements.

**CanAsia Energy Corp.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
*(Unaudited)*

(\$000s)	Share Capital	Contributed Surplus	Broker Warrants	Deficit	Total
Balance as at December 31, 2023	11,489	212	117	(6,866)	4,952
Private placement financing (note 7)	1,258	-	-	-	1,258
Share issue costs (note 7)	(118)	-	-	-	(118)
Broker warrants (note 7)	-	-	2	-	2
Net income	-	-	-	2,663	2,663
Stock-based compensation	-	314	-	-	314
Balance as at June 30, 2024	12,629	526	119	(4,203)	9,071
Balance as at December 31, 2024	12,629	795	119	(5,705)	7,838
Net loss	-	-	-	(1,630)	(1,630)
Stock-based compensation	-	194	-	-	194
Balance as at June 30, 2025	12,629	989	119	(7,335)	6,402

See accompanying notes to the interim condensed consolidated financial statements.

**CanAsia Energy Corp.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(\$000s)	2025	2024	2025	2024
<b>Cash Provided From (Used in)</b>				
<b>Operating Activities</b>				
Net income (loss)	(900)	3,264	(1,630)	2,663
Adjustments for non-cash items:				
Amortization (note 3)	15	15	29	29
Stock-based compensation	84	305	194	314
Accretion	63	60	125	121
Decommissioning recovery	-	(5)	-	(47)
Loss on decommissioning provision settlement	-	-	31	-
Unrealized foreign exchange loss (gain)	233	(45)	237	(148)
Natural gas pipeline tariff provision (recovery) (note 5)	14	(23)	(16)	(94)
Impairment recovery (note 4)	-	(4,242)	-	(4,242)
Deposit	(70)	(13)	(80)	(24)
Settlement of natural gas pipeline tariff provision (note 5)	(48)	(37)	(133)	(112)
Settlement of decommissioning provision (note 6)	-	-	(168)	-
Changes in non-cash working capital	73	(98)	(300)	(198)
Cash flow used in operating activities	(536)	(819)	(1,711)	(1,738)
<b>Investing Activities</b>				
Exploration and evaluation assets acquired	-	(1,334)	-	(1,334)
Restricted Cash	(6)	-	(6)	-
Cash flow used in investing activities	(6)	(1,334)	(6)	(1,334)
<b>Financing Activities</b>				
Proceeds from private placement	-	-	-	1,258
Share issue costs	-	-	-	(116)
Lease payments	(12)	(10)	(14)	(12)
Cash flow from (used in) financing activities	(12)	(10)	(14)	1,130
<b>Change in cash and cash equivalents</b>	<b>(554)</b>	<b>(2,163)</b>	<b>(1,731)</b>	<b>(1,942)</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>	<b>(233)</b>	<b>45</b>	<b>(235)</b>	<b>148</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>6,063</b>	<b>10,105</b>	<b>7,242</b>	<b>9,781</b>
<b>Cash and cash equivalents, end of period</b>	<b>5,276</b>	<b>7,987</b>	<b>5,276</b>	<b>7,987</b>

See accompanying notes to the interim condensed consolidated financial statements.

## 1) CORPORATE INFORMATION

CanAsia Energy Corp. ("CanAsia" or the "Company") is a Canadian publicly listed junior oil and gas company. The CanAsia common shares trade on the TSX Venture Exchange, under the stock trading symbol CEC. The records office and principal address of the Company is located at 1505, 505 – 3rd Street S.W., Calgary, Alberta, T2P 3E6.

### Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

CanAsia does not have producing oil and gas properties or an established source of revenue, resulting in the use of cash in operations of \$1.7 million during the first half of 2025. However, CanAsia has working capital (current assets less current liabilities) of \$1.5 million as at June 30, 2025, which is available to fund its current requirements. CanAsia continues to evaluate international oil and gas concessions and the potential to restart production at the Sawn Lake, Alberta heavy oil property which would require funds to pursue. In addition, CanAsia will continue to need funds to support general corporate activities, general and administrative costs and the ongoing maintenance of the Sawn Lake property. The amount and timing of the capital required to fund the ongoing operations of CanAsia, including the development of Sawn Lake and/or the pursuit of and potential acquisition of international oil and gas concessions, is not known. It is reasonably certain that the amount of capital required is in excess of the working capital currently held by CanAsia.

CanAsia raised capital in 2024, which addresses certain liquidity requirements in the near term. However, additional capital will be required for the development of Sawn Lake and/or pursuit of and potential acquisition of international oil and gas concessions. CanAsia may consider a transaction that would involve the disposition of Sawn Lake property which would raise capital to fund ongoing operations and the potential acquisition of international oil and gas concessions.

CanAsia's ability to continue as a going concern is dependent on its ability to continue to raise capital as and when needed to fund ongoing operations and for the development of Sawn Lake and/or pursuit of and potential acquisition of international oil and gas concessions. The amount of capital required could be material and there are no assurances that the Company will be able to access the necessary funds when required. These facts create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for these financial statements and that the Company will meet its operating and capital requirements as they arise. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

## 2) BASIS OF PRESENTATION

### *Statement of Compliance*

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2024. The following disclosures are incremental to those included with the annual consolidated financial statements. Certain disclosures that are normally required in the notes to the annual consolidated financial statements have been condensed or omitted. The interim condensed consolidated financial statements are prepared using the same accounting policies and methods of computation as disclosed in the annual consolidated financial statements, except as noted below.

The interim condensed consolidated financial statements were approved by the Company's Board of Directors on August 12, 2025.

### 3) INTANGIBLE ASSET

A reconciliation of the carrying amount of the intangible asset is set out below.

(\$000s)	
<b>Cost</b>	
At December 31, 2024 and June 30, 2025	699
<b>Accumulated amortization</b>	
At December 31, 2024	(410)
Amortization	(19)
At June 30, 2025	(429)
<b>Net book value</b>	
At December 31, 2024	289
At June 30, 2025	270

The intangible asset is a patent pertaining to steam related technology and process that the Company anticipates utilizing on its Canadian heavy oil property.

### 4) EXPLORATION AND EVALUATION ASSETS

A reconciliation of the Company's exploration and evaluation assets is set out below.

(\$000s)		<b>Total</b>
At December 31, 2024		5,780
Changes in decommissioning provision		(31)
At June 30, 2025		5,749

As at June 30, 2025, Andora's Sawn Lake Project has not yet demonstrated commercial viability or technical feasibility, and the 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, the outcome of a sale or farmout transaction, obtaining additional financing, and successfully completing the development of the project. Capitalized costs incurred to date do not necessarily represent present or future values.

In the three months ended June 30, 2024, the Company partially reversed the impairment of E&E assets related to the Sawn Lake working interest by an amount of \$4.2 million.

### 5) NATURAL GAS PIPELINE TARIFF PROVISION

The natural gas pipeline tariff agreement was entered into between Andora and a third party in 2018 and is accounted for as an onerous contract under IAS 37. A provision of \$1.0 million has been recorded for the present obligation under this contract, reflecting the net cost of fulfilling the contract.

A reconciliation of the Company's natural gas pipeline tariff provision is set out below.

(\$000s)	
At December 31, 2024	1,033
Revisions to obligations	(16)
Accretion	95
Settlement	(133)
At June 30, 2025	979
Less current portion	(289)
Non-current portion	690

Total undiscounted cash flows less estimated mitigation costs required to settle the Company's natural gas pipeline tariff at Sawn Lake, Alberta were estimated to be \$1.6 million at June 30, 2025 (December 31, 2024 - \$1.8 million). The provision has been reduced by an amount for shipping that is estimated to be used by a third party. Payments to settle the provision will be made over the term of the contract between 2025 and 2031. Estimated costs have been discounted at an interest rate of 20% (December 31, 2024 - 20%).

## 6) DECOMMISSIONING PROVISION AND DEPOSITS

A reconciliation of the Company's decommissioning provision is set out below.

(\$000s)	Canada	Indonesia	Total
At December 31, 2024	1,971	518	2,489
Revisions to obligations	(31)	-	(31)
Settlement	(168)	(2)	(170)
Accretion	29	-	29
Loss on settlement	31	-	31
Foreign currency translation	-	(24)	(24)
At June 30, 2025	1,832	492	2,324
Less current portion	(102)	(492)	(594)
Non-current portion	1,730	-	1,730

The decommissioning provision is based on the Company's net ownership through subsidiaries of wells and facilities in Indonesia and Canada, management's estimates of costs to abandon and reclaim those wells and facilities and the potential future timing of the costs to be incurred. The Company has discontinued all operations in Indonesia and is working to finalize the abandonment and reclamation obligations in the country. Total undiscounted cash flows, escalated at 1.91% for inflation (December 31, 2024 – 1.82%), required to settle the Company's decommissioning provision are estimated to be \$3.6 million at June 30, 2025 (December 31, 2024 - \$3.8 million). Payments to settle the provision will be made over the operating lives of the underlying assets and are estimated to be incurred between 2025 and 2040. Estimated costs have been discounted at the risk-free interest rate in the jurisdiction in which the expenditure is expected to be incurred which averaged at 3.56% at June 30, 2025 (December 31, 2024 – 3.33%). Revision to obligations for the Canadian provision prior to the impairment reversal and the Indonesian provision are recognized directly in income or loss as decommissioning expense or recovery as the corresponding assets were fully impaired.

Non-current deposits of \$1.3 million at June 30, 2025 consisted of deposits placed with the Alberta Energy Regulator in Canada for the interests of Andora at Sawn Lake (December 31, 2024 - \$1.2 million).

## 7) SHARE CAPITAL

### (a) Authorized

Unlimited Common Shares

### (b) Issued and Outstanding Common Shares

	Shares Outstanding	Amount (\$000s)
Balance as at December 31, 2024 and June 30, 2025	112,793,907	12,629

### (c) Broker Warrants

	Broker Warrants	Weighted average exercise price (\$)
Balance as at December 31, 2024 and June 30, 2025	1,849,800	0.10

In consideration for services rendered in relation to the private placements in 2024 and 2023, the Company issued 1,849,800 broker warrants to the broker. Each broker warrant is exercisable at a price of \$0.10 for a period of two years from the issue date.

As at June 30, 2025, the following broker warrants were issued and exercisable:

Broker Warrants Outstanding and Exercisable			
Exercise Price (\$)	Number of Broker Warrants	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
0.10	1,849,800	0.10	0.48



(d) Options to Purchase Common Shares

	Number of Options <sup>(1)</sup>	Weighted Average Exercise Price (\$)
Options outstanding at December 31, 2024 and June 30, 2025	9,775,000	0.15

(1) These options are held by directors, senior management, employee, and consultant of the Company.

As at June 30, 2025, the following options were issued and outstanding:

Options Outstanding				Options Exercisable		
Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
0.13	700,000	0.13	3.96	466,667	0.13	3.96
0.135	7,250,000	0.135	3.92	4,833,333	0.135	3.92
0.15	225,000	0.15	4.14	75,000	0.15	4.14
0.23	1,600,000	0.23	2.40	1,600,000	0.23	2.40
0.13 – 0.23	9,775,000	0.15	3.67	6,975,000	0.16	3.57

(e) Earnings (Loss) Per Common Share

A reconciliation of the weighted average number of common shares used to calculate net income (loss) per share is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Weighted average common shares – basic and diluted	112,793,907	112,793,907	112,793,907	111,757,094
Stock options	-	1,091	-	-
Broker warrants	-	438,749	-	326,078
Weighted average common shares – diluted	112,793,907	113,233,747	112,793,907	112,083,172
Net income (loss) (\$000s)	(900)	3,264	(1,630)	2,663
Net income (loss) per share – basic and diluted	\$ (0.01)	\$ 0.03	\$ (0.01)	\$ 0.02

8) CAPITAL MANAGEMENT

The Company's capital consists of the following:

(\$000s)	June 30, 2025	December 31, 2024
Current assets	5,650	7,532
Current liabilities	(4,190)	(4,419)
Working capital	1,460	3,113
Shareholders' equity	6,402	7,838

The Company considers its capital structure to include working capital and shareholders' equity. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas industry. In the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs. Refer to note 1. CanAsia's share capital is not subject to any external restrictions.

## 9) FINANCIAL INSTRUMENTS

As at June 30, 2025 the following financial instruments were denominated in currencies other than the Canadian dollar:

	<b>June 30, 2025 U.S. dollar (\$000s)</b>	<b>December 31, 2024 U.S. dollar (\$000s)</b>
Cash and cash equivalents	<b>3,116</b>	3,216
Accounts payable and accrued liabilities	<b>(2,150)</b>	(2,120)
Net exposure in foreign currency	<b>966</b>	1,096
Net exposure in Canadian dollars <sup>(1)</sup> (\$000s)	<b>1,305</b>	1,576

*(1) Translated at period end exchange rates.*

Based on financial instruments held at June 30, 2025, fluctuations in the exchange rates as indicated below would have the following estimated effect on net income (loss):

	<b>Six Months Ended June 30,</b>	
<b>(\$000s)</b>	<b>2025</b>	<b>2024</b>
Effect of 1% increase in USD to CAD exchange rate:		
Pre-tax net income	<b>13</b>	16



**CANASIA ENERGY CORP.**  
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