



CANASIA ENERGY CORP.
2026 First Quarter Financial & Operating Results

Press Release

CALGARY, May 13, 2026

CanAsia Energy Corp. ("CanAsia" or the "Company") (CEC – TSXV) reports 2026 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, 2026 and related management's discussion and analysis 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 2026 first quarter results, President and CEO Jeff Chisholm stated: "The first quarter of 2026 was a period dominated by negotiations and technical work related to the recently announced completed transaction with KIGAM of Korea. Activities now shift to the operational phase of the Sawn Lake pilot project, with submission of a category 2 amendment to the existing Sawn Lake approval the highest priority. Additional module engineering design activities will continue in parallel to the amended application and fabrication of the first SAGD module, anticipated to commence in approximately 6 months. In Thailand, the expected December 2025 25th Onshore Concession bid round winners announcement was delayed by a snap election announcement. The election took place in February 2026, a new cabinet has been installed, and we expect an announcement of the bid winners at any time."

HIGHLIGHTS

- As announced by the Company on May 6, 2026, subsequent to March 31, 2026, the Company, together with its wholly-owned subsidiary Andora Energy Corporation ("Andora"), entered into a cooperative research and development agreement (the "Agreement") with the Korea Institute of Geoscience and Mineral Resources ("KIGAM") with respect to Andora's heavy oil project in Sawn Lake, Alberta. The Agreement provides for staged project funding by KIGAM of up to CAD \$26 million over three years, with a possible fourth-year operating period. The Agreement is structured as a cooperative development arrangement for the demonstration and operation of solvent-assisted thermal bitumen recovery and related processing technologies at Sawn Lake. The project scope includes recommissioning Andora's suspended facility, installing Andora's proprietary produced water boiler and enhanced steam-SAGD related systems, and later installing an experimental partial upgrader and water treatment modules. Andora agreed that, upon delivery of the produced water boiler module to the Sawn Lake site, it shall assign to KIGAM an undivided fifty percent ownership interest in the produced water boiler patent.
- CanAsia had a working capital deficit of \$0.5 million, no long-term debt and shareholders' equity of \$4.5 million at March 31, 2026.
- Common shares outstanding were 112.8 million at May 12, 2026 and at March 31, 2026.
- Net loss was \$0.7 million (\$0.01 per share) in the first quarter of 2026 and 2025.
- Cash flow used in operations in the first quarter of 2026 was \$0.6 million (\$0.01 per share) compared to \$1.2 million (\$0.01 per share) in the first quarter of 2025. Cash flow used in operations in the first quarter of 2026 was mainly attributable to general and administrative expense of \$0.5 million and operating expense of \$0.2 million to maintain the shut-in facility of Andora.
- General and administrative expense was \$0.5 million in the first quarters of 2026 and 2025. General and administrative expense is comprised primarily of expenses related to personnel and premises, external services, and public company costs.
 - Personnel and premises costs were \$0.2 million in the first quarters of 2026 and 2025. These costs include salaries and benefits for employees, and fees incurred for consultants. They also include rent and other office costs related to the Company's Calgary office.
 - External service costs were \$0.2 million in the first quarters of 2026 and 2025. These costs are mainly related to professional fees for legal, audit, tax services, information technology and engineering.
 - Public company costs were \$0.1 million in the first quarters of 2026 and 2025. These costs were incurred for maintaining the Company's status as a public company and mainly related to shareholder reporting and meetings, TSXV fees, transfer agent, insurance and directors' fees.
- Operating expenses were \$0.2 million in the first quarters of 2026 and 2025. These expenses were incurred to safeguard and maintain the assets of Andora's suspended SAGD 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 June 1, 2023 was recognized as an onerous contract under IAS 37 since the operation at Sawn Lake is shut-in. The Company has recognized a provision of \$0.9 million representing the net cost of fulfilling the contract as at March 31, 2026.
- The current portion of the decommissioning provision of \$0.6 million as at March 31, 2026 was related 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 \$1.7 million as March 31, 2026 pertained to Andora's interests in Sawn Lake, Alberta.

OUTLOOK

After the recently announced completed transaction with KIGAM of Korea, activities now shift to the operational phase of the Sawn Lake pilot project, with submission of a category 2 amendment to the existing Sawn Lake approval as the highest priority. Additional module engineering design activities will continue in parallel with the compilation of the amended application, and fabrication of the first module is anticipated to commence in approximately 6 months.

In Thailand, the expected December 2025 25th Onshore Concession bid round winners announcement was delayed by a snap election announcement by the Thai Government. The election took place in February 2026 and a new cabinet has been installed. CanAsia expects an announcement of the bid winners at any time.

Liquidity and Capital Resources

At March 31, 2026, CanAsia had a working capital deficit of \$0.5 million (including the current portion of the natural gas pipeline tariff provision of \$0.3 million and the current portion of the decommissioning provision of \$0.6 million). Non-current deposits of \$1.3 million consisted of deposits placed with the Alberta Energy Regulator in Canada for the interests of Andora at Sawn Lake. The non-current portion of the natural gas pipeline tariff provision was \$0.6 million, and the non-current portion of the decommissioning provision was estimated at \$1.7 million for Andora's wells and facilities in Canada. The Company's exploration and evaluation assets at March 31, 2026 amounted to \$5.7 million.

As at March 31, 2026, CanAsia did not have sufficient resources available to fund expected activity levels over the next 12 months. However, as a result of the Agreement with KIGAM, the Company is expected to have sufficient funding available to restart production at the Sawn Lake property. The Company may require additional capital to support general corporate activities, general and administrative costs and for any evaluation and exploration program in respect of a Thailand concession in the event the Company is successful in the Thailand bid round.

The amount and timing of the capital required to fund the ongoing operations of CanAsia, including the evaluation and exploration program for a potential Thailand concession is not known. However, it is reasonably certain that the amount of capital required is in excess of the working capital currently held by CanAsia.

In order to continue as a going concern and fund its ongoing operations, unless and until such time as CanAsia's operations begin generating revenue, CanAsia will require additional funds through debt or equity financings or other available means. However, there is no assurance that CanAsia will be able to obtain adequate financing or alternative sources of funds on terms satisfactory to CanAsia or at all.

Financial and Operating Results

(\$000s of Canadian dollars except where indicated)	Three months ended March 31,	
	2026	2025
FINANCIAL		
Financial Statement Results		
Net loss ⁽¹⁾	(674)	(730)
Per share – basic and diluted	\$ (0.01)	\$ (0.01)
Cash flow used in operating activities ⁽²⁾	(566)	(1,175)
Per share – basic and diluted	\$ (0.01)	\$ (0.01)
Cash flow from (used in) investing activities ⁽²⁾	(13)	-
Per share – basic and diluted	\$ (0.00)	-
Cash flow from (used in) financing activities ⁽²⁾	(10)	(2)
Per share – basic and diluted	\$ (0.00)	\$ (0.00)
Working capital	(526)	2,337
Shareholders' equity ⁽³⁾	4,500	7,218
Weighted average shares outstanding (000s)	112,794	112,794
General and administrative expense ⁽¹⁾	(497)	(484)
Operating expense ⁽¹⁾	(154)	(164)
Natural gas pipeline tariff recovery ⁽¹⁾	33	30
Stock-based compensation ⁽¹⁾	(37)	(110)
Amortization ⁽¹⁾	(24)	(14)
Loss on decommissioning provision settlement ⁽¹⁾	-	(31)
Finance income ⁽¹⁾	8	10
Foreign exchange gain ⁽¹⁾	(3)	33
Net loss ⁽¹⁾	(674)	(730)

(1) As set out in the Consolidated Statements of Operations and Comprehensive 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; CanAsia's ability to continue as a going concern; the need for and availability of additional capital; statements with respect to the research and development project at Sawn Lake, including project timelines with respect thereto; and statements with respect to the Company's bid, as part of a consortium, for one concession with a non-operated 30% participating interest pursuant to the onshore Thailand 25th licensing round, including the outcome thereof and the expected timing of the government of Thailand's award of concessions.

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. In particular, there can be no assurance that the government of Thailand will accept CanAsia's bid on the terms proposed or at all or that the Process will result in any transaction. 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.

See "Forward-Looking Statements" in CanAsia's management's discussion and analysis for the three months ended March 31, 2026 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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