CanAsia Energy Announces Dec. 31, 2022 Contingent Bitumen Resources For Sawn Lake, Alberta Sagd Project Of Andora Energy Corp.

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CALGARY, Feb. 27, 2023 - CanAsia Energy Corp. (TSXV: CEC), on behalf of its 88.2% owned subsidiary Andora Energy Corporation ("Andora"), is pleased to release the December 31, 2022 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").

Please note that unless otherwise stated, amounts are in Canadian dollars and volumes and financial amounts are net to Andora.

Highlights of Sawn Lake, Alberta Contingent Resources Report as of December 31, 2022

- 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 are 5000 to 6000 barrels of bitumen per day (BOPD) each and utilize Andora's proprietary Produced Water Boiler ("PWB") technology which uses water from SAGD production to generate steam and meet water recycle requirements in Alberta. This strategy significantly reduces financial, reservoir and operating risk.
- Contingent resources have been assigned to the Sawn Lake Central and Sawn Lake South blocks of Sawn Lake. The unrisked "Best Estimate" contingent resources for Andora are 292.2 million barrels of bitumen recoverable (257.7 million barrels net to CanAsia's 88.2% interest in Andora).
- Andora is the operator of both these blocks and holds a 75% working interest in the 11 sections of the Central Block, which have been assigned 214.4 million barrels of unrisked "Best Estimate" recoverable bitumen (net to Andora's interests) and holds a 100% working interest in the 16 sections of the South Block, which have been assigned 77.7 million barrels of unrisked recoverable bitumen.
- The unrisked "Best Estimate" net present value, discounted at 15%, for Andora's interests is $231 million on an after-tax basis ($204 million net to CanAsia's 88.2% interest in Andora).
- The Resources Report assigned an 85% chance of development for Sawn Lake, and the risked "Best Estimate" contingent resources for Andora are 248.3 million barrels of bitumen recoverable (219.0 million barrels net to CanAsia's 88.2% interest in Andora). The risked "Best Estimate" net present value, discounted at 15%, for Andora's interests is $198 million on an after-tax basis ($174 million net to CanAsia's 88.2% interest in Andora).
- The Resources Report forecasts bitumen production from 2024 to 2086, with maximum unrisked "Best Estimate" production net to Andora of 20,461 BOPD in 2038.
- The first stage of commercial development is at Sawn Lake Central Battery #1 (where Andora is operator with a 75% working interest) to reactivate the existing SAGD facility and wellpair for restart of bitumen production in in 2024. On a 100% working interest basis, the estimated capital cost (excluding operating losses until plateau production is reached) is $3.1 million and plateau production is 620 BOPD. The second stage of commercial development forecast in 2025 is drilling of an additional wellpair and facilities work. On a 100% working interest basis, the estimated capital cost is $10.3 million and plateau production is 1,240 BOPD. The third expansion stage is forecast in 2027 with the drilling of three more wellpairs plus facilities work, which are estimated on a 100% working interest basis, at a capital cost of $37 million to increase production to 2,891 BOPD. Regulatory approval for the Sawn Lake commercial operation to 3,200 BOPD was received in December 2017.

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 Sproule 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 the Company'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 the Company 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, 2022 Contingent Resources Report represents an update of a March 31, 2022 Contingent Resources Report which was also prepared by Sproule. There is no change to the geologic interpretation, the well type curves, overall forecast bitumen volumes or the assigned development risk. The December 31, 2022 report has been updated for:
  - December 31, 2022 price forecasts for crude oil, bitum
  - Adjustment of the development stages, estimated com and operating expenses.
  - Updates for Andora tax pools and non-capital loss car Sands Royalties Pre-payout Cumulative Costs of $50.
  - Changes to income tax rates, carbon tax legislation ar

Sawn Lake SAGD Development

Andora holds interests in 27 sections (24.25 net sections) of heavy oil sands 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 and Sawn Lake South 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 meters and a horizontal length of 780 meters 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 of revenue less royalty burden, operating expenses, abandonments, capital expenditures and income tax. The first phase of commercial expansion at the existing SAGD Battery #1 to 2,891 BOPD is done in three stages with reactivation of the existing facility and wellpair, the addition of wellpair #2, and then drilling of an additional three wellpairs and installation & testing of Andora's PWB. Regulatory approval was received in December 2017 for commercial expansion of the existing Sawn Lake Central demonstration project to 3200 BOPD using Andora's PWB. Further stages of development include expansion to 5000 BOPD of the first SAGD battery and then an additional four SAGD batteries which are located in the best parts of the reservoir. The timing of individual batteries is dependent on regulatory approval and after-tax cash flow from existing operations for funding of new investment. Volume 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, 2022

	Gross Sections	Working Interest	Unrisked Best Estimate Contingent Resources - Company Gross (million barrels)
Central Block (Andora operated)	11	75 %	214.45
South Block (Andora operated)	16	100 %	77.71
	27		292.16

Summary of Contingent Bitumen Resources as of December 31, 2022 as provided by Sproule

Marketable Resources - Company Gross (million barrels)	Andora	CanAsia 88.2%
Risked (evaluation assigned an 85% chance of development)		
Contingent - Low Estimate "1C"	221.3	195.2
Contingent - Best Estimate "2C"	248.3	219.0
Contingent - High Estimate "3C"	293.3	258.7
Unrisked		
Contingent - Low Estimate "1C"	260.3	229.6
Contingent - Best Estimate "2C"	292.2	257.7
Contingent - High Estimate "3C"	345.1	304.4

Sawn Lake Oil Sands Project

Summary of Net Present Values as of December 31, 2022

Contingent Resources as provided by Sproule

Andora 100% (Cdn$ million)

Net Present Values Before 2Tax (Risked)	0 %	5 %	10 %	15 %
Contingent - Low Estimate "1C"	6,482	1,536	508	209
Contingent - Best Estimate "2C"	8,459	1,932	636	264
Contingent - High Estimate "3C"	12,171	2,482	773	314
Net Present Values After Tax (Risked)	0 %	5 %	10 %	15 %
Contingent - Low Estimate "1C"	4,964	1,171	383	154
Contingent - Best Estimate "2C"	6,492	1,476	482	198
Contingent - High Estimate "3C"	9,356	1,901	588	236
Net Present Values Before Tax (Unrisked)	0 %	5 %	10 %	15 %
Contingent - Low Estimate "1C"	7,623	1,805	597	245
Contingent - Best Estimate "2C"	9,949	2,272	747	310
Contingent - High Estimate "3C"	14,316	2,919	908	369
Net Present Values After Tax (Unrisked)	0 %	5 %	10 %	15 %
Contingent - Low Estimate "1C"	5,836	1,374	448	180
Contingent - Best Estimate "2C"	7,634	1,734	565	231
Contingent - High Estimate "3C"	11,003	2,233	689	277

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For risked resources and values, the evaluation assigned an 85% chance of develo

2	Resources assessed at forecast crude oil reference prices and costs.
3	Bitumen production is forecast to commence in 2024.
4	The reference prices for heavy oil per barrel (Western Canada Select "WCS" 20.5 A are $89.38 for 2024, $84.06 for 2025, $85.74 for 2026, $87.46 for 2027, $89.21 for $92.81 for 2030 and increase at 2% per year thereafter.
5	Bitumen revenue per barrel for these resources is $17.03 less than the associated 2024 and the differential increases approximately 1.2% per year.
6	The reference prices for natural gas (AECO-C Spot price per MMBTU in Canadian 2024, $4.00 for 2025, $4.08 for 2026, $4.16 for 2027, $4.24 for 2028, $4.33 for 202 increase at 2% per year thereafter.
7	Future development costs (including inflation of 3% per annum for 2024 and 2% pe Contingent Resources which have been deducted in calculating the before tax NPV
	?Unrisked Low Estimate - CDN$3,576 million with the drilling of 358 gross well pair
	?Unrisked Best Estimate - CDN$3,684 million with the drilling of 358 gross well pai
	?Unrisked High Estimate - CDN$3,918 million with the drilling of 358 gross well pai
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

Sawn Lake Oil Sands Project

Summary of Net Present Values as of December 31, 2022

Contingent Resources as provided by Sproule

CanAsia 88.2% Interest in Andora (Cdn$ million)

Net Present Values Before Tax (Risked)	0 %	5 %	10 %	15 %	20 %
Contingent - Low Estimate "1C"	5,717	1,355	448	184	86
Contingent - Best Estimate "2C"	7,461	1,704	561	233	112
Contingent - High Estimate "3C"	10,735	2,189	681	277	132
Net Present Values After Tax (Risked)	0 %	5 %	10 %	15 %	20 %
Contingent - Low Estimate "1C"	4,379	1,033	338	136	62
Contingent - Best Estimate "2C"	5,726	1,302	425	174	82
Contingent - High Estimate "3C"	8,252	1,676	518	209	98
Net Present Values Before Tax (Unrisked)	0 %	5 %	10 %	15 %	20 %
Contingent - Low Estimate "1C"	6,724	1,592	526	216	100
Contingent - Best Estimate "2C"	8,775	2,004	659	274	131
Contingent - High Estimate "3C"	12,627	2,574	801	325	155
Net Present Values After Tax (Unrisked)	0 %	5 %	10 %	15 %	20 %
Contingent - Low Estimate "1C"	5,147	1,212	395	159	72
Contingent - Best Estimate "2C"	6,733	1,529	498	204	96
Contingent - High Estimate "3C"	9,704	1,970	608	244	115

1 Results represent CanAsia's 88.2% interest in Andora.

2 For risked resources and values, the evaluation assigned an 85% chance of development for Sawn Lake.

3 Resources assessed at forecast crude oil reference prices and costs.

4 Bitumen production is forecast to commence in 2024.

5 The reference prices for heavy oil per barrel (Western Canada Select "WCS" 20.5 API in Canadian dollars) are $89.38 for 2024, $84.06 for 2025, $85.74 for 2026, $87.46 for 2027, $89.21 for 2028, $90.99 for 2029, $92.81 for 2030 and increase at 2% per year thereafter.

6 Bitumen revenue per barrel for these resources is $17.03 less than the associated WCS reference price in 2024 and the differential increases approximately 1.2% per year.

7 The reference prices for natural gas (AECO-C Spot price per MMBTU in Canadian dollars) are $4.34 for 2024, $4.00 for 2025, $4.08 for 2026, $4.16 for 2027, $4.24 for 2028, $4.33 for 2029, $4.42 for 2030 and increase at 2% per year thereafter.

8 Future development costs (including inflation of 0% per annum for 2024 and 2% per annum thereafter) for Contingent Resources which have been deducted in calculating the before tax NPV:

?Unrisked Low Estimate - CDN$3,154 million with the drilling of 358 gross well pairs and building facilities

?Unrisked Best Estimate - CDN$3,249 million with the drilling of 358 gross well pairs and building facilities

?Unrisked High Estimate - CDN$3,456 million with the drilling of 358 gross well pairs and building facilities

9 The values disclosed may not represent fair market value.

10 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. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this press release includes references, express or. 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. In addition, the 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 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.

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SOURCE CanAsia Energy Corp.

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