

Logan Energy Corp. Announces Second Quarter 2024 Results, Upsized Credit Facility And Executive Appointments

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CALGARY, Aug. 21, 2024 - [Logan Energy Corp.](#) (TSXV: LGN) ("Logan" or the "Company") announces its financial and results for the three and six months ended June 30, 2024, an increase to the borrowing base available under the Company's credit facility to \$75.0 million, and enhancements to the executive management team.

Selected financial and operational information set out below should be read in conjunction with the Company's unaudited financial statements and related management's discussion and analysis ("MD&A") as at and for the three and six months ended June 30, 2024 and 2023. These documents are filed on SEDAR+ at www.sedarplus.ca and are available on the Company's website at www.loganenergycorp.com. The highlights reported throughout this press release include certain non-GAAP measures which have been identified using capital letters and are defined herein. The reader is cautioned that these measures may not be directly comparable to other issuers; refer to additional information under the heading "Reader Advisories - Non-GAAP Measures and Ratios".

SECOND QUARTER 2024 HIGHLIGHTS

- Logan spent \$46.1 million in the second quarter to advance development in its core operating areas.
 - At Pouce Coupe, Logan completed and brought on production a three well pad in mid-May.
 - At Simonette, Logan completed its first well at Lator and commenced completion operations on a three well pad in its southern acreage.
- Production averaged 7,277 BOE per day (36% liquids), an increase of 45% from 5,015 BOE per day (22% liquids) in the second quarter of the previous year.
 - A major turnaround was completed at the Simonette 13-11 Gas Plant as planned in June. Budgeted downtime was completed during the outage.
 - Logan is on track to deliver H2 2024 average production in excess of 10,000 BOE per day and to meet or exceed the 2024 production guidance of approximately 8,700 BOE per day¹.
- The Company's Operating Netback averaged \$15.75 per BOE before hedging (\$15.38 per BOE after hedging) for the second quarter of 2024 and was impacted by weak natural gas prices and higher per unit operating expenses due to planned maintenance costs and other maintenance operations.
 - Logan expects to realize a material reduction in its per unit operating costs as it scales production and is for the 2024 operating costs to average between \$10.00 to \$10.50 per BOE, and for calendar year average operating costs to be in-line with guidance¹.
- Driven by oil production growth and strong crude oil prices, Logan's Adjusted Funds Flow increased by 178% to \$3.1 million for the three months ended June 30, 2024, compared to \$0.9 million in the same period of 2023.
- As of June 30, 2024, Logan had Net Debt of \$21.4 million or 0.6 times its annualized Adjusted Funds Flow for the second quarter. Subsequent to the quarter, the Company's lender increased the authorized borrowing amount available under the Company's credit facility from \$50.0 million to \$75.0 million (refer to "Subsequent Events").

¹ Refer to guidance published in the Company's press release dated May 22, 2024.

The following table summarizes selected highlights for the three and six month periods ended June 30, 2024 and June 30, 2023.

(CA\$ thousands, except as otherwise noted)	Three months ended June 30			Six months ended June 30		
	2024	2023	%	2024	2023	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	26,544	13,701	94	50,974	32,717	56
Net income (loss) and comprehensive income (loss)	416	(3,856)	(111)	(1,575)	(34,482)	(95)
\$ per common share, basic and diluted	0.00	(0.02)	(100)	(0.00)	(0.20)	(100)
Cash provided by operating activities	3,394	2,897	17	20,194	11,604	74
Adjusted Funds Flow ⁽¹⁾	8,744	3,142	178	18,589	8,797	111
\$ per common share, basic and diluted ⁽¹⁾	0.02	0.02	-	0.04	0.05	(20)

Capital Expenditures before A&D ⁽¹⁾	46,104	5,378	757	81,286	6,302	nm
Acquisitions	-	100	(100)	300	100	200
Total assets	248,390	94,913	162	248,390	94,913	162
Net Debt ⁽¹⁾	21,364	5,227	309	21,364	5,227	309
Shareholders' equity	175,122	56,791	208	175,122	56,791	208
Common shares outstanding (000s), end of period ⁽²⁾	465,537	173,201	169	465,537	173,201	169
OPERATING HIGHLIGHTS AND NETBACKS ⁽⁵⁾						
Average daily production						
Crude oil (bbls/d)	2,148	660	225	1,965	706	178
Condensate (bbls/d) ⁽³⁾	223	271	(18)	244	277	(12)
Natural gas liquids (bbls/d) ⁽³⁾	250	185	35	270	191	41
Natural gas (mcf/d)	27,934	23,396	19	28,006	23,871	17
BOE/d	7,277	5,015	45	7,147	5,153	39
% Liquids ⁽⁴⁾	36 %	22 %	64	35 %	23 %	52
Average realized prices, before financial instruments						
Crude oil (\$/bbl)	100.54	92.41	9	95.73	97.30	(2)
Condensate (\$/bbl) ⁽³⁾	99.44	92.66	7	93.68	94.34	(1)
Natural gas liquids (\$/bbl) ⁽³⁾	53.68	40.92	31	52.76	47.51	11
Natural gas (\$/mcf)	1.44	2.43	(41)	1.96	3.22	(39)
Combined average (\$/BOE)	40.09	30.02	34	39.19	35.08	12
Netbacks (\$/BOE) ⁽⁵⁾						
Oil and gas sales	40.09	30.02	34	39.19	35.08	12
Processing and other revenue	1.04	1.83	(43)	1.20	1.77	(32)
Royalties	(4.35)	(2.49)	75	(3.77)	(4.61)	(18)
Operating expenses	(17.46)	(15.77)	11	(16.08)	(16.15)	(0)
Transportation expenses	(3.57)	(3.58)	(0)	(3.75)	(3.43)	9
Operating Netback, before hedging ⁽⁵⁾	15.75	10.01	57	16.79	12.66	33
Realized loss on derivative financial instruments	(0.37)	-	-	(0.35)	-	-
Operating Netback, after hedging ⁽⁵⁾	15.38	10.01	54	16.44	12.66	30
General and administrative expenses	(2.33)	(3.08)	(24)	(2.35)	(2.96)	(21)
Financing income (expenses) ⁽⁶⁾	0.35	(0.01)	nm	0.60	(0.01)	nm
Realized foreign exchange gain						

0.01

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Settlement of decommissioning obligations	(0.20)	(0.04)	400	(0.39)	(0.27)	44
Adjusted Funds Flow Netback ⁽⁵⁾	13.21	6.88	92	14.30	9.42	52

- (1) "Adjusted Funds Flow", "Capital Expenditures before A&D", and "Net Debt" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP Measures and Ratios" section of this press release.
- (2) Refer to "Share Capital" section of this press release.
- (3) Condensate is a natural gas liquid ("NGL") as defined by NI 51-101. See "Other Measurements".
- (4) "Liquids" includes crude oil, condensate and NGLs.
- (5) "Netbacks" are non-GAAP financial ratios calculated per unit of production. "Operating Netback", and "Adjusted Funds Flow Netback" do not have standardized meanings under IFRS, refer to "Non-GAAP Measures and Ratios" section of this press release.
- (6) Excludes non-cash accretion of decommissioning obligations.
- (7) Logan was spun-out from Spartan Delta Corp. ("Spartan") on June 20, 2023. Comparative information for the three and six months ended June 30, 2023 is prepared on a "carve-out" basis from the historical records of Spartan. The information should be read in conjunction with the Company's unaudited condensed interim financial statements and MD&A as at June 30, 2024 and 2023 and the audited annual financial statements and related MD&A as at and for the years ended December 31, 2023 and 2022.

OPERATIONS UPDATE

Logan has successfully completed its drilling and completion program for the 2024 onstream wells.

At Pouce Coupe, the three well "7-12" pad was brought onstream in mid-May. For the first 60 days on production, the pad averaged 422 bbls/d of oil, 12 bbls/d of NGLs and 1.5 mmcf/d of natural gas (685 BOE/d, 63% liquids) per well. Initial performance of the 7-12 pad is consistent with our budgeted type curves despite flowing against substantially elevated system pressure due to constrained infrastructure. This elevated gathering system pressure is expected to persist until Logan's planned new Pouce Coupe gas plant is operational.

At Simonette, Logan brought onstream the three well "4-10" pad in mid-July and began flowing back the single well at Lator in late July. Logan will provide additional details on these wells upon receiving sufficient production data in future updates.

Logan plans to resume drilling in the fourth quarter for its 2025 program.

SUBSEQUENT EVENTS

Upsized Credit Facility

Effective August 21, 2024, the Company's lender increased the authorized borrowing amount available under its revolving demand credit facility from \$50.0 million to \$75.0 million. The next scheduled borrowing base review is set to occur in May 2025. The terms of the credit facility are otherwise unchanged.

Commodity Hedging Update

In August 2024, the Company entered into a derivative financial contract to fix the price of WTI crude oil at CA\$102.05 per barrel on a notional 500 barrels per day for calendar year 2025. The contract price represented a premium of approximately CA\$5.75 per barrel relative to WTI strip pricing at the time of entering the swap. To earn this premium, the Company also sold monthly call options on an incremental 500 barrels per day of WTI crude oil at CA\$102.05 per barrel for calendar year 2025.

EXECUTIVE APPOINTMENTS

The Board of Directors is pleased to announce that Brendan Paton (currently Vice President, Engineering and COO) has been promoted to President and COO. Richard McHardy will continue as Chief Executive Officer and will continue to be involved in the execution of the Company's strategic growth plans and the day-to-day operations of the Company. Mr. McHardy stated, "Brendan's appointment as President of the Company represents Logan's long-term commitment to succession planning and to advancing the next generation of leaders in the oil and gas industry in Canada".

The Board of Directors is also pleased to announce that Dylan Van Brunt (currently Manager, Engineering) has been appointed Vice President, Engineering and Victoria Biersteker (currently Manager, Geoscience) has been appointed Vice President, Geoscience. Mr. Van Brunt and Ms. Biersteker are both key members of Logan's Montney development team and bring a wealth of technical experience in the Montney from their tenure at Spartan Delta and Velvet Energy, as well as their previous positions. Mr. McHardy stated, "We are pleased to welcome Dylan and Victoria to Logan's executive team, and I want to congratulate each of Brendan, Dylan and Victoria on their well-deserved promotions."

ABOUT LOGAN ENERGY CORP.

Logan is a growth-oriented exploration, development and production company formed through the spin-out of Spartan's early stage Montney assets. Logan is founded with a strong initial capitalization and three high quality and opportunity rich Montney assets located in the Simonette and Pouce Coupe areas of northwest Alberta and the Flatrock area of northeastern British Columbia. The management team brings proven leadership and a track record of generating excess returns in various business cycles.

Logan's corporate presentation has been updated as of August 2024 and can be accessed on the Company's website at www.loganenergycorp.com.

READER ADVISORIES

Non-GAAP Measures and Ratios

This press release contains certain financial measures and ratios which do not have standardized meanings prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), also known as Canadian Generally Accepted Accounting Principles ("GAAP"). As these non-GAAP financial measures and ratios are commonly used in the oil and gas industry, Logan believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-GAAP measures and ratios used in this press release, represented by the capitalized and defined terms outlined below, are used by Logan as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS.

The definitions below should be read in conjunction with the "Non-GAAP and Other Financial Measures" section of the Company's MD&A dated August 21, 2024, which includes discussion of the purpose and composition of the specified financial measures and detailed reconciliations to the most directly comparable GAAP financial measures.

Operating Income and Operating Netback

Operating Income, a non-GAAP financial measure, is a useful supplemental measure that provides an indication of the Company's ability to generate cash from field operations, prior to administrative overhead, financing and other business expenses. "Operating Income, before hedging" is calculated by Logan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. "Operating Income, after hedging" is calculated by adjusting Operating Income, before hedging for realized gains or losses on derivative financial instruments.

The Company refers to Operating Income expressed per unit of production as an "Operating Netback" and reports the Operating Netback before and after hedging, both of which are non-GAAP financial ratios. Logan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

Adjusted Funds Flow

Cash provided by operating activities is the most directly comparable measure to Adjusted Funds Flow. "Adjusted Funds Flow" is reconciled to cash provided by operating activities by excluding changes in non-cash working capital, adding back transaction costs on acquisitions (if applicable). Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance.

The Company refers to Adjusted Funds Flow expressed per unit of production as an "Adjusted Funds Flow Netback".

Capital Expenditures before A&D

"Capital Expenditures before A&D" is used by Logan to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic drilling program. It includes capital expenditures on exploration and evaluation assets and property, plant and equipment, before acquisitions and dispositions. The directly comparable GAAP measure to capital expenditures is cash used in investing activities.

Net Debt

Throughout this press release, references to "Net Debt" includes bank debt (if any), net of Adjusted Working Capital. Net Debt and Adjusted Working Capital are both non-GAAP financial measures. "Adjusted Working Capital" is calculated as current liabilities less current assets, excluding derivative financial instrument assets and liabilities and the current portion of bank debt (if any).

Supplementary Financial Measures

The supplementary financial measures used in this press release (primarily average sales price per product type and certain per BOE and per share figures) are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

Other Measurements

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted. This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation.

References to "oil" in this press release include light crude oil, medium crude oil, heavy oil and tight oil combined. NI 51-101 includes condensate within the product type of "natural gas liquids". References to "natural gas liquids" or "NGLs" include pentane, butane, propane and ethane. References to "gas" or "natural

gas" relates to conventional natural gas. References to "liquids" includes crude oil, condensate and NGLs.

References in this press release to peak rates, peak monthly production, first 60 days of production, producing day rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Logan.

Share Capital

Common shares of Logan trade on the TSX Venture Exchange ("TSXV") under the symbol "LGN".

As of the date hereof, there are 465.5 million common shares outstanding. There are no preferred shares or special shares outstanding. Logan's convertible securities outstanding as of the date of this press release include: 64.3 million common share purchase warrants with an exercise price of \$0.35 per share expiring July 12, 2028; and 22.6 million stock options with an exercise price of \$0.89 per share expiring November 22, 2028.

Forward-Looking and Cautionary Statements

Certain statements contained within this press release constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavor", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. Logan believes that the expectations reflected in such forward-looking statements are reasonable as of the date hereof, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this press release contains forward-looking statements pertaining to: the Company's opportunity rich assets; management's track record of generating excess returns in various business cycles; success of the Company's drilling program based on initial results; future drilling plans; continuing to advance key infrastructure projects; forecast production for the second half of 2024; and the expectation that per unit operating expenses will decrease with production growth.

The forward-looking statements and information are based on certain key expectations and assumptions made in respect of Logan including expectations and assumptions concerning the business plan of Logan, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Logan's properties, the successful integration of the recently acquired assets into Logan's operations, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, prevailing commodity prices, price volatility, price differentials and the actual prices received for Logan's products, impact of inflation on costs, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital (including under the upsized credit facility), labour and services, the creditworthiness of industry partners and the ability to source and complete acquisitions.

Although Logan believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Logan can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, wars, hostilities, civil insurrections, changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)), foreign exchange or interest rates, increased operating and capital costs due to

inflationary pressures (actual and anticipated), volatility in the stock market and financial system, impacts of pandemics, the retention of key management and employees, risks with respect to unplanned pipeline outages and risks relating to inclement and severe weather events and natural disasters, such as fire, drought, flooding and extreme hot or cold temperatures, including in respect of safety, asset integrity and shutting-in production. Ongoing military actions in the Middle East and between Russia and Ukraine and related sanctions have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of these actions remains uncertain. The foregoing list is not exhaustive. Please refer to the MD&A and AIF for discussion of additional risk factors relating to Logan, which can be accessed on its SEDAR+ profile at www.sedarplus.ca. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Logan 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 law.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Logan's guidance for 2024, including with respect to prospective results of operations, production and operating costs, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Logan's proposed business activities in the remainder of 2024. Logan and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Logan disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, exchange rates, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Logan's guidance. The Company's actual results may differ materially from these estimates.

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 news release.

Abbreviations

A&D	acquisitions and dispositions
AEC	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
AIF	refers to the Company's Annual Information Form dated March 18, 2024
bbl	barrel
bbls/d	barrels per day
bcf	one billion cubic feet
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA\$ or CAD	Canadian dollar
GJ	gigajoule
H2 2024	second half of 2024 or six month period ending December 31, 2024
Mbbl	one thousand barrels
MBOE	one thousand barrels of oil equivalent
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MMbtu	one million British thermal units
MMcf	one million cubic feet
MD&A	refers to Management's Discussion and Analysis of the Company dated August 21, 2024
MM	millions
\$MM	millions of dollars
MPa	megapascal unit of pressure
NGL(s)	natural gas liquids
NI 51-101	National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities
nm	"not meaningful", generally with reference to a percentage change
NYMEX	New York Mercantile Exchange, with reference to the U.S. dollar "Henry Hub" natural gas price index
TSXV	TSX Venture Exchange
US\$ or USD	United States dollar
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grad
SOURCE	Logan Energy Corp.

Contact

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