



LOGAN

ENERGY CORP.

**MANAGEMENT'S DISCUSSION & ANALYSIS
AS AT AND FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2023 AND 2022**

INTRODUCTION

Logan Energy Corp. (“Logan” or the “Company”) was incorporated under the *Business Corporations Act* (Alberta) on March 10, 2023 as “2499938 Alberta Ltd.”. Articles of Amendment were filed to change its name to “Logan Energy Corp.” on March 22, 2023. The Company is engaged in exploration, development and production of crude oil and natural gas properties, focused in the Simonette and Pouce Coupe areas of northwest Alberta, and in the Flatrock area of northeastern British Columbia. Logan does not have any subsidiaries. Common shares of Logan are listed on the TSX Venture Exchange (“TSXV”) and trade under the symbol “LGN”. The Company’s head office is located at 1800, 736 – 6th Avenue S.W., Calgary, Alberta T2P 3T7 and its registered office is 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

The following Management’s Discussion and Analysis (“MD&A”) has been prepared by management as of November 22, 2023, in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Requirements* (“NI 51-102”). This MD&A should be read in conjunction with the Company’s unaudited interim financial statements and related notes as at and for the three and nine months ended September 30, 2023 (the “Interim Financial Statements”). Additional information relevant to the Company, including Logan’s Listing Application dated July 12, 2023 (the “Listing Application”), can be found on SEDAR+ at www.sedarplus.ca and the Company’s website at www.loganenergycorp.com.

Unless otherwise noted, the financial information in this MD&A has have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), also known as Canadian generally accepted accounting principles (“GAAP”). This MD&A contains forward-looking statements, non-GAAP financial measures and other financial and non-financial measures. Readers are cautioned that the MD&A should be read in conjunction with the Company’s disclosures under the headings “Non-GAAP and Other Financial Measures”, “Other Measurements”, “Risk and Uncertainties” and “Forward-Looking Statements” included in this MD&A. All dollar amounts are quoted in thousands of Canadian dollars (“CA\$”), the reporting and functional currency of the Company, unless otherwise indicated.

Common Control Transaction

On June 20, 2023, Logan commenced active operations as a new growth-oriented exploration, development and production company formed through the spin-out of the early stage Montney assets of Spartan Delta Corp. (“Spartan”). Pursuant to the terms of an asset conveyance agreement between Logan and Spartan dated June 20, 2023, Spartan transferred certain oil and natural gas assets (the “Transferred Assets”) to Logan in exchange for one common share of Logan (a “Logan Share”) and one common share purchase warrant of Logan (a “Transaction Warrant”) for each common share of Spartan held (the “Spin-Out”). The Transferred Assets are focused in the prolific Montney resource trend of northwest Alberta and northeast British Columbia (“NEBC”), predominantly in the Simonette, Pouce Coupe and Flatrock areas, as well as legacy production from minor properties in NEBC. In aggregate, 173.2 million Logan Shares and 173.2 million Transaction Warrants were issued to Spartan in consideration for the Transferred Assets, representing the fair market value thereof, in the aggregate amount of approximately \$60.6 million. The Logan Shares and Transaction Warrants issued to Spartan in connection with the Spin-Out were distributed to eligible holders of common shares of Spartan (“Spartan Shareholders”) on July 6, 2023 (the “Distribution”). Concurrent with the Distribution, Logan ceased to be a subsidiary of Spartan and is now a stand-alone legal entity.

Since the shareholders of Logan and Spartan were the same both before and after the conveyance of the Transferred Assets (at the time, Logan was a wholly-owned subsidiary of Spartan), the Spin-Out was deemed to be a common control transaction. The financial and operational results herein present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a carve-out basis as if they had operated as a stand-alone entity subject to Spartan’s control. The financial position, results of operations and cash flows from March 10, 2023 (the date of incorporation of Logan) to June 20, 2023 include both the Transferred Assets and Logan on a combined basis, and from June 20, 2023 forward include the actual historical results of Logan after assuming the Transferred Assets upon close of the Spin-Out.

Significant judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan. The carve-out financial statements do not necessarily reflect what the financial position, results of operations and cash flows would have been had these net assets been in a separate entity, or the future results of Logan, as it exists after the completion of the Spin-Out.

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A contains certain financial measures and ratios, as described below, which do not have standardized meanings prescribed by IFRS or GAAP. As these non-GAAP and other financial measures are commonly used in the oil and gas industry, the Company 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 and other financial measures used in this MD&A, represented by the bolded, 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.

Non-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**" is calculated by Logan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. The Company refers to Operating Income expressed per unit of production as an "**Operating Netback**" which is a non-GAAP financial ratio. Logan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

The components of Logan's Operating Income and Operating Netbacks are outlined below:

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Oil and gas sales	17,488	27,668	(37)	50,205	98,715	(49)
Processing and other revenue	873	795	10	2,525	2,450	3
Royalty expenses	(2,903)	(3,900)	(26)	(7,199)	(12,699)	(43)
Operating expenses	(7,841)	(8,152)	(4)	(22,902)	(24,748)	(7)
Transportation expenses	(2,190)	(1,845)	19	(5,391)	(5,944)	(9)
Operating Income	5,427	14,566	(63)	17,238	57,774	(70)
Production (BOE)	496,260	555,797	(11)	1,428,805	1,777,203	(20)
Operating Netback (\$/BOE)	10.94	26.20	(58)	12.07	32.51	(63)

Funds from Operations and Adjusted Funds Flow

"**Funds from Operations**" is calculated by Logan as cash provided by operating activities before changes in non-cash working capital. Logan believes Funds from Operations provides useful information to understand the cash flows generated by the Company's operations during the current production period excluding the impact of timing of payments and cash receipts.

"**Adjusted Funds Flow**" is calculated by Logan by adding back transaction costs (if any) to Funds from Operations. Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance. Transaction costs, which primarily include legal and financial advisory fees, regulatory and other

expenses directly attributable to execution of acquisitions and dispositions (“A&D”), are excluded to provide a measure representing cash flow generated by the Company’s routine business operations. For greater clarity, incremental overhead expenses related to ongoing integration and restructuring post-acquisition (if applicable) are not adjusted and are included in Logan’s general and administrative expenses. The Company refers to Adjusted Funds Flow expressed per unit of production as an “Adjusted Funds Flow Netback”.

The following table reconciles cash provided by operating activities, as determined in accordance with IFRS, to Funds from Operations and Adjusted Funds Flow:

<i>(CA\$ thousands)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Cash provided by operating activities	5,158	16,925	(70)	12,778	56,557	(77)
Change in non-cash operating working capital	(42)	(4,010)	(99)	1,134	(3,617)	(131)
Funds from Operations	5,116	12,915	(60)	13,912	52,940	(74)
Add back: transaction costs	43	-	-	43	-	-
Adjusted Funds Flow	5,159	12,915	(60)	13,955	52,940	(74)

Adjusted Funds Flow per share (“AFF per share”)

AFF per share is a non-GAAP financial ratio used by the Logan as a key performance indicator. The basic and diluted weighted average common shares (“WA Shares”) outstanding used in the calculation of AFF per share is calculated using the same methodology as net income per share.

The table below outlines the calculation of AFF per share:

<i>(CA\$ thousands, except for share amounts)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Adjusted Funds Flow	5,159	12,915	(60)	13,955	52,940	(74)
WA Shares outstanding (000s) – basic	415,124	173,201	140	254,728	173,201	47
WA Shares outstanding (000s) – diluted	484,936	173,201	180	309,622	173,201	79
AFF per share						
Basic (\$ per common share)	0.01	0.07	(86)	0.05	0.31	(84)
Diluted (\$ per common share)	0.01	0.07	(86)	0.05	0.31	(84)

The Company uses the treasury stock method to determine the dilutive effect of outstanding securities.

Capital Expenditures

Logan uses “Capital Expenditures before A&D” to measure its capital investment level compared to the Company’s annual budgeted capital expenditures for its organic drilling program, excluding acquisitions or dispositions (if any). “Capital Expenditures” is calculated by adding cash acquisition costs, net of proceeds from dispositions to Capital Expenditures before A&D. The directly comparable GAAP measure is cash used in investing activities. The following table details the composition of capital expenditures and its reconciliation to cash used in investing activities:

(CA\$ thousands)	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Exploration and evaluation assets	3,525	35	4,798	296
Property, plant and equipment	30,011	675	35,040	1,896
Capital Expenditures before A&D	33,536	710	39,838	2,192
Acquisitions	5,144	-	5,244	-
Dispositions	-	-	-	(88)
Capital Expenditures	38,680	710	45,082	2,104
Change in non-cash investing working capital	(21,373)	(239)	(24,052)	14,203
Cash used in investing activities	17,307	471	21,030	16,307

Capital Management Measures

Working capital

Management uses working capital as a measure to assess the Company's financial position. The working capital surplus (deficit) is calculated as current assets less current liabilities. Refer to the calculation of working capital under the heading "Capital Resources and Liquidity".

Supplementary Financial Measures

The supplementary financial measures used in this MD&A (primarily average sales price per product type, royalty rates, 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 amounts are referenced in Canadian dollars, except when noted otherwise. This MD&A 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 per barrel. 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.

Throughout this MD&A, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. References to "natural gas liquids" or "NGLs" throughout this MD&A comprise pentane, butane, propane and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately by Logan due to the significant difference in value per barrel. References to "liquids" includes crude oil, condensate and NGLs. References to "gas" relates to natural gas.

THIRD QUARTER 2023 HIGHLIGHTS

Logan is pleased to report its financial and operating results for the third quarter of 2023, representing the first full quarter of operations for the Company following the Spin-Out. The highlights summarized below focus on the Company's results for the third quarter ended September 30, 2023, relatively to the most recent quarter ended June 30, 2023:

- Production averaged 5,394 BOE per day (24% liquids) during the third quarter of 2023, up from 5,015 BOE per day (22% liquids) in the second quarter of 2023. The first 2.0 net wells drilled at Simonette were brought on production in September and did not contribute meaningful volumes during the third quarter. The increase in production compared to the second quarter of 2023 is primarily due the installation of additional field compression in Pouce Coupe.
- Oil and gas sales revenue of \$17.5 million for the three months ended September 30, 2023 increased by 28% from \$13.7 million in the previous quarter ended June 30, 2023, reflecting higher production and stronger realized pricing in the third quarter. Logan's combined average selling price of \$35.24 per BOE increased by 17% from the average realized price of \$30.02 in the previous quarter.
- The Company's Operating Netback averaged \$10.94 per BOE during the third quarter of 2023, up 9% from \$10.01 per BOE reported in the previous quarter.
- Adjusted Funds Flow of \$5.2 million for the three months ended September 30, 2023 increased by 64% compared to \$3.1 million in the previous quarter, primarily driven by the increase in oil and gas sales, net of royalties.
- Capital Expenditures before A&D were \$33.5 million for the three months ended September 30, 2023, of which Logan spent \$3.5 million on seismic and land, \$27.3 million on drilling and completions, \$1.7 million on equipping and facilities and \$0.9 million on production optimization projects. Additionally, Logan incurred \$5.1 million of acquisition costs during the quarter to expand its undeveloped acreage position at Simonette and to acquire certain equipment inventory to be used in its 2023 and 2024 capital program.
- Since commencing operations, Logan has added 62.25 net sections of land around our core area of Simonette, consisting of 32.75 net sections of Montney acreage and 29.5 net sections of land in non-Montney plays on and surrounding our existing asset base. Within the Montney acreage added, Logan has acquired a 14 net section contiguous block of land in the Lator area west of Simonette which Logan plans to drill this winter.
- Logan raised net equity proceeds of \$102.2 million, after estimated issue costs, through the Private Placement and exercise of the Transaction Warrants in the third quarter (collectively referenced herein as the "**July 2023 Financings**"):
 - 153.8 million of the total 173.2 million Transaction Warrants were exercised at an exercise price of \$0.35 per share for gross proceeds of \$53.8 million. The remaining 19.4 million Transaction Warrants expired on August 14, 2023.
 - On July 12, 2023, Logan closed a non-brokered private placement for aggregate gross proceeds of approximately \$48.5 million (the "**Private Placement**"). Pursuant to the Private Placement, Logan issued 64.3 million units ("**Units**") and 74.3 million Logan Shares at a price of \$0.35 per Unit and Logan Share, as applicable. Each Unit is comprised of one Logan Share and one Logan Share purchase warrant (a "**Financing Warrant**").
- On July 26, 2023, the Company established a \$15.0 million senior secured revolving demand credit facility with National Bank of Canada (the "**Credit Facility**"). The Credit Facility provides Logan with access to additional liquidity and is currently undrawn. Details of the Credit Facility are provided under the heading "Capital Resources and Liquidity".

OUTLOOK AND GUIDANCE

Logan is pleased to provide increased guidance for the second half of 2023 (“**Updated H2 2023 Guidance**”) as well as the Company’s preliminary budget for 2024 (“**2024 Guidance**”).

On the strength of its initial well results in Simonette, the Company has raised its H2 2023 guidance to 6,000 BOE/d (previously 5,000 BOE/d). For 2024, the Company’s Board of Directors has approved an initial capital budget of \$120 million. The budget is designed to deliver growth in Simonette, maintain production in Pouce Coupe and advance long term growth projects like Flatrock. The 2024 capital budget is allocated as follows: \$64 million for drilling, completion, equipment and tie-in projects at Simonette and Pouce Coupe, \$13 million for drilling and completion at Flatrock, \$28 million for infrastructure and \$15 million for land and contingency.

At Simonette, Logan plans to drill, complete and bring onstream four 100% working interest Montney wells. Subsequent to the third quarter, Logan commenced drilling a three well pad spud at South Simonette (“**4-10 Pad**”). The 4-10 Pad currently drilling is budgeted to come onstream in August 2024, allowing for contingency of an extended spring breakup. In addition, Logan plans to drill and test one well on the recently acquired lands in the Lator area of Simonette.

At Pouce Coupe, Logan plans to drill and bring onstream a two well pad which will fill Logan’s available third-party processing capacity. During the third quarter, Logan advanced its long-term infrastructure plans for Pouce Coupe. Logan was successful in procuring strategic long-term egress for its Pouce Coupe development project by adding 40 mmcf/d of firm transport commencing in 2027 (see “Subsequent Events”). This is a critical part of the development plan for Pouce Coupe and ensures that Logan will be able to execute on its long-term growth plans for the asset. Logan is also advancing a company built and operated processing solution that is optimized for Logan’s development plan. Additionally, Logan is advancing procurement of secondary market gas egress that, together with the processing solution, will target a production growth ramp between 2025 to 2027.

At Flatrock, Logan plans to drill its first two wells in 2024 and complete and test one of the two wells.

The following table summarizes Logan’s 2024 Guidance, along with Updated H2 2023 Guidance as compared to previous guidance provided as part of the Company’s press release dated July 13, 2023 (“**Previous H2 2023 Guidance**”), which is reproduced below:

	Previous H2 2023 Guidance	Updated H2 2023 Guidance	% Change	2024 Guidance
Average production (BOE/d) ⁽¹⁾	5,000	6,000	20	8,700
% Liquids	26%	28%	8	31%
Forecast Average Commodity Prices ⁽²⁾				
WTI crude oil price (US\$/bbl)	70.00	78.63	12	75.00
AECO natural gas price (\$/GJ)	2.50	2.40	(4)	2.75
Average exchange rate (US\$/CA\$)	1.32	1.36	3	1.375
Operating Netback (\$/BOE) ⁽¹⁾⁽³⁾	10.75	15.55	45	22.52
Adjusted Funds Flow (\$MM) ⁽³⁾	8	15	88	64
Capital Expenditures before A&D (\$MM)	75	75	-	120
Acquisitions, net of dispositions ⁽⁴⁾	-	5	nm	-
Working capital surplus (deficit), end of year (\$MM) ⁽⁵⁾⁽⁶⁾	42	36	(14)	(20)
Common shares outstanding, end of year (MM) ⁽⁶⁾	484.9	465.5	(4)	465.5

(1) Additional information regarding the assumptions used in the forecasted average production, Operating Netbacks and Adjusted Funds Flow are provided under “Assumptions for Guidance” below.

(2) Changes in forecast commodity prices, exchange rates, differences in the amount and 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. Holding all other assumptions constant, a US\$10/bbl increase (decrease) in the forecasted WTI crude oil price for the second half of 2023 and the 2024 calendar year would increase (decrease) Adjusted Funds Flow by approximately \$2 million (\$2 million) and \$8 million (\$10 million), respectively. An increase (decrease) of CA\$1.00/GJ in the forecasted AECO natural gas price for the second half of 2023 and 2024 calendar year, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase (decrease) Adjusted Funds Flow by approximately \$3 million (\$3 million) and \$10 million (\$13 million), respectively. Holding U.S. dollar benchmark commodity prices and all other assumptions constant, an increase (decrease) of \$0.10 in the US\$/CA\$ exchange rate would increase (decrease) Adjusted Funds Flow by approximately \$1

million (\$1 million) for the second half of 2023 and \$4 million (\$4 million) for 2024. Assuming capital expenditures are unchanged, an increase (decrease) in Adjusted Funds Flow will result in an equivalent increase (decrease) in the forecasted working capital surplus.

- (3) "Operating Netback", "Adjusted Funds Flow" and "Capital Expenditures before A&D" do not have standardized meanings under IFRS, see "Non-GAAP Measures and Other Financial Measures".
- (4) Acquisitions and/or dispositions are included in the Company's guidance upon reaching a definitive agreement.
- (5) The forecasted working capital deficit of \$20 million at the end of 2024 exceeds the current borrowing base of \$15 million under Logan's Credit Facility. Although Logan anticipates that the lenders will increase the borrowing base upon completion of the annual review and 2023 year-end reserves report, there is no guarantee that additional credit capacity will be available.
- (6) The forecasted working capital surplus and forecast number of common shares outstanding at the end of 2023 per the Company's Previous H2 2023 Guidance assumed that 100% of the transaction warrants issued in connection with the Spin-Out would be exercised prior to expiry on August 14, 2023, resulting in the issuance of 173.2 million common shares for gross cash proceeds of \$60.6 million. However, only 153.8 million transaction warrants were exercised for gross proceeds of \$53.8 million and the remaining 19.4 million transaction warrants expired. Logan's Updated H2 2023 Guidance and 2024 Guidance is based on the current number of common shares outstanding as of the date hereof. Refer to additional information regarding outstanding dilutive securities under the heading of "Share Capital".

The increase in average production forecast for H2 2023 to 6,000 BOE per day is reflective of new wells drilled both exceeding initial production type curves, as well as these wells coming on production earlier than originally estimated. The forecasted working capital surplus for year-end 2023 decreased as a result of 19.4 million transaction warrants that expired unexercised (which resulted in less dilution to the share count than originally anticipated), as well as unbudgeted land acquisitions completed by the Company, offset by the forecasted increase in Adjusted Funds Flow. The 2024 budget of 8,700 BOE per day assumes all new pads come onstream in mid 2024; Logan expects to exit 2024 above 10,000 BOE per day (Q4 average production).

Assumptions for Guidance

The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for 2024 Guidance, the Updated H2 2023 Guidance and Previous H2 2023 Guidance are summarized below.

Production Guidance	Previous H2 2023 Guidance	Updated H2 2023 Guidance	% Change	2024 Guidance
Crude Oil (bbls/d)	800	1,000	25	1,535
Condensate (bbls/d)	300	435	45	845
Crude oil and condensate (bbls/d)	1,100	1,435	30	2,380
NGLs (bbls/d)	180	260	44	315
Natural gas (mcf/d)	22,320	25,830	16	36,025
Combined average (BOE/d)	5,000	6,000	20	8,700
% Liquids	26%	28%	8	31%

Financial Guidance (\$/BOE)	Previous H2 2023 Guidance	Updated H2 2023 Guidance	% Change	2024 Guidance
Oil and gas sales	34.75	38.61	11	42.35
Processing and other revenue	1.75	1.52	(13)	0.94
Royalties	(4.30)	(5.64)	31	(4.67)
Transportation expenses	(3.95)	(4.19)	6	(3.60)
Operating expenses	(17.50)	(14.75)	(16)	(12.50)
Operating Netback	10.75	15.55	45	22.52
General and administrative expenses	(2.65)	(2.40)	(9)	(1.85)
Financing income (expenses)	1.45	1.32	(9)	(0.19)
Settlement of decommissioning obligations	(0.65)	(0.50)	(23)	(0.54)
Adjusted Funds Flow	8.90	13.97	57	19.94

RESULTS OF OPERATIONS

PRODUCTION

Average daily production	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Crude oil (bbls/d)	782	937	(17)	732	1,097	(33)
Condensate (bbls/d)	243	293	(17)	265	313	(15)
NGLs (bbls/d)	273	291	(6)	219	309	(29)
Natural gas (mcf/d)	24,573	27,117	(9)	24,108	28,745	(16)
Combined average (BOE/d)	5,394	6,041	(11)	5,234	6,510	(20)
% Liquids	24%	25%	(4)	23%	26%	(12)

Production averaged 5,394 BOE per day during the third quarter of 2023, down 11% from the average production of 6,041 BOE per day in the same quarter of 2022. For the nine months ended September 30, 2023, production decreased by 20% from 6,510 BOE per day to 5,234 BOE per day. During the third quarter of 2023, Logan commenced its capital program with the first 2.0 net Simonette wells brought on production in September 2023. Given the wells came on production late in the quarter, the decrease in production over both the three and nine months ended September 30, 2023 reflects natural production declines as compared to the prior periods which benefited from 3.0 net wells that were brought on production at Pouce Coupe in late 2021. There were no new wells drilled on the Transferred Assets during the year ended December 31, 2022. The increase in production in the third quarter compared to 5,015 BOE per day in the second quarter of 2023 is primarily due the installation of additional field compression at Pouce Coupe.

OIL AND GAS SALES

(CA\$ thousands, unless otherwise indicated)	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Oil and gas sales, before royalties						
Crude oil	7,815	10,222	(24)	20,245	36,794	(45)
Condensate	2,355	3,032	(22)	7,077	10,489	(33)
NGLs	1,272	1,780	(29)	2,918	5,467	(47)
Natural gas	6,046	12,634	(52)	19,965	45,965	(57)
Oil and gas sales, before royalties	17,488	27,668	(37)	50,205	98,715	(49)
Average realized prices						
Crude oil (\$/bbl)	108.60	118.53	(8)	101.37	122.86	(17)
Condensate (\$/bbl)	105.22	112.30	(6)	97.70	122.61	(20)
NGLs (\$/bbl)	50.65	66.49	(24)	48.83	64.87	(25)
Natural gas (\$/mcf)	2.67	5.06	(47)	3.03	5.86	(48)
Combined average (\$/BOE)	35.24	49.78	(29)	35.14	55.55	(37)
Benchmark commodity prices						
WTI Cushing Oklahoma (US\$/bbl) ⁽¹⁾	82.26	91.56	(10)	77.40	98.09	(21)
Mixed Sweet Blend ("MSW") (CA\$/bbl) ⁽²⁾	107.92	116.80	(8)	100.68	123.43	(18)
NYMEX Henry Hub (US\$/mmbtu) ⁽³⁾	2.55	8.20	(69)	2.69	6.77	(60)
NYMEX – AECO 7A Basis (US\$/mmbtu)	(0.77)	(3.74)	(79)	(0.45)	(2.44)	(82)
AECO 7A (CA\$/GJ) ⁽⁴⁾	2.26	5.50	(59)	2.87	5.27	(46)
AECO 5A (CA\$/GJ) ⁽⁵⁾	2.46	3.95	(38)	2.61	5.10	(49)
Exchange rate (CA\$/US\$) ⁽¹⁾	1.34	1.31	2	1.35	1.28	5

(1) Source: Sproule Associates Limited.

(2) Source: Weighted average trade volume and price per Net Energy and NGX.

(3) Source: Canadian Gas Price Reporter (NYMEX Settle).

(4) Source: Canadian Gas Price Reporter (NGX AB-NIT Month Ahead Index 7A).

(5) Source: Canadian Gas Price Reporter (NGX AB-NIT Same Day Index 5A).

Oil and gas sales for the three and nine months ended September 30, 2023 were \$17.5 million and \$50.2 million, respectively, compared to \$27.7 million and \$98.7 million in the corresponding periods of 2022. The decrease in oil and gas sales for both the three and nine month periods was driven by materially lower natural gas prices and softer oil and NGLs pricing, together with the decline in production volumes compared to the same periods of 2022.

ROYALTIES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Gross royalties, before GCA	3,867	4,701	(18)	10,949	15,128	(28)
Gas cost allowance ("GCA")	(964)	(801)	20	(3,750)	(2,429)	54
Royalties	2,903	3,900	(26)	7,199	12,699	(43)
\$ per BOE	5.85	7.02	(17)	5.04	7.15	(30)
Average royalty rate (% of sales)	16.6%	14.1%	18	14.3%	12.9%	11

Royalty expenses consist primarily of Crown royalties paid to the provincial governments as well as payments to overriding royalty owners. Crown royalties are calculated based on commodity prices and individual well production rates, and as such are impacted by commodity price fluctuations, changes in production volumes and royalty incentive programs. Total royalties before GCA for the three and nine months ended September 30, 2023 decreased as compared to prior periods primarily due to the decrease in gross revenue. The impact was partly offset by wells coming off incentive rates under the Alberta Modern Royalty Framework which increased the average royalty rate as a percentage of revenue.

GCA credits are typically actualized by the Crown during the second quarter of the year. The true-up of GCA for the 2022 calendar year was recorded in the second quarter of 2023 resulting in higher recoveries and lower royalties in the nine months ended September 30, 2023.

PROCESSING AND OTHER REVENUE

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Processing and other	873	795	10	2,525	2,450	3
\$ per BOE	1.76	1.43	23	1.77	1.38	28

Processing and other revenue primarily relates to processing fees earned on third party volumes processed through ownership in the Simonette 13-11 Gas Plant. Processing and other revenue is relatively consistent at approximately \$0.8 million per quarter, with the increase in average processing and other revenue per BOE driven by the decrease in total production volumes.

OPERATING EXPENSES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Operating expenses	7,841	8,152	(4)	22,902	24,748	(7)
\$ per BOE	15.80	14.67	8	16.03	13.93	15

Total operating expenses decreased during the three and nine month periods ended September 30, 2023 compared to the same periods of 2022 primarily due to lower production volumes. The decline in production contributed to the increase in operating costs per BOE primarily due to significant fixed costs related to ownership in the Simonette 13-11 Gas Plant.

Operating expenses averaged \$15.80 per BOE in the third quarter, down from \$16.15 per BOE for the first half of 2023 as Logan commenced its drilling program and brought two new wells on production at Simonette in September.

TRANSPORTATION EXPENSES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Transportation expenses	2,190	1,845	19	5,391	5,944	(9)
\$ per BOE	4.41	3.32	33	3.77	3.34	13

Total transportation expenses of \$5.4 million for the first nine months of 2023 decreased from \$5.9 million in the same period of 2022 due to lower production volumes.

On a per unit basis, transportation expenses increased to \$4.41 per BOE in the third quarter and averaged \$3.77 per BOE year-to-date 2023. On the Spin-Out Logan assumed certain firm transportation contracts with additional capacity to grow production which resulted in higher transportation costs in the current quarter (see also, "Commitments and Contingencies"). Additionally, soft road conditions put upward pressure on transportation costs in the three months ended September 30, 2023.

OPERATING NETBACKS

The components of Logan's Operating Netbacks are summarized below. All amounts expressed on a BOE equivalent basis are non-GAAP financial ratios.

<i>(\$ per BOE)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Oil and gas sales	35.24	49.78	(29)	35.14	55.55	(37)
Processing and other revenue	1.76	1.43	23	1.77	1.38	28
Royalties	(5.85)	(7.02)	(17)	(5.04)	(7.15)	(30)
Operating expenses	(15.80)	(14.67)	8	(16.03)	(13.93)	15
Transportation expenses	(4.41)	(3.32)	33	(3.77)	(3.34)	13
Operating Netback	10.94	26.20	(58)	12.07	32.51	(63)

Logan's Operating Netback averaged \$10.94 per BOE for the three months ended September 30, 2023. The Operating Netback decreased in the third quarter relative to the average of \$12.66 per BOE for the first six months of the year which benefited from a GCA credit of \$0.9 million recorded in the second quarter. In addition, firm service transportation commitments assumed on the Spin-Out, as well as soft road conditions, contributed to higher transportation expenses in the third quarter of 2023.

The Company's Operating Netback averaged \$12.07 per BOE for the nine months ended September 30, 2023, down 63% from \$32.51 per BOE in the comparative period of 2022 in which commodity prices averaged the highest levels of the past decade. The decrease in Operating Netbacks reflects materially lower natural gas prices and softer oil and NGLs pricing, partly offset by lower royalties, compounded by declining production which contributed to higher per unit operating costs and transportation costs.

GENERAL AND ADMINISTRATIVE (“G&A”) EXPENSES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Gross G&A expenses (“ Gross G&A ”)	2,121	1,762	20	5,177	4,936	5
Overhead recoveries	(871)	(152)	473	(1,167)	(342)	241
Net G&A expenses (“ Net G&A ”)	1,250	1,610	(22)	4,010	4,594	(13)
Gross G&A (\$ per BOE)	4.27	3.17	35	3.62	2.78	30
Net G&A (\$ per BOE)	2.52	2.90	(13)	2.81	2.58	9

The Company incurred Gross G&A expenses of \$2.1 million during the three months ended September 30, 2023, reflecting the incremental G&A costs to manage the Transferred Assets as a stand alone entity. For purposes of the carve-out financial statements, G&A of Spartan was allocated to the Transferred Assets pro rata on a head count basis up to June 20, 2023.

After recoveries, Net G&A expenses were \$1.3 million (\$2.52 per BOE) for the third quarter of 2023 and \$4.0 million (\$2.81 per BOE) year to date. Overhead recoveries increased during the third quarter of 2023 in conjunction with the commencement of an active capital program. Prior to the Spin-Out, G&A was allocated excluding capital overhead recoveries and capitalized G&A, given that minimal capital expenditures were incurred by Spartan on the Transferred Assets during the periods.

SHARE BASED COMPENSATION (“SBC”)

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Stock options	-	103	-	329	358	(8)
Share awards	-	430	-	2,991	1,116	168
Financing Warrants	9,790	-	-	9,790	-	-
Share based compensation expense	9,790	533	nm	13,110	1,474	789
\$ per BOE	19.73	0.96	nm	9.18	0.83	nm

During the third quarter of 2023, the Company recorded a one-time share based payment charge of \$9.8 million related to 64.3 million Financing Warrants issued under the Private Placement (see also, “Share Capital”). Each Financing Warrant entitles the holder to purchase one Logan Share at an exercise price of \$0.35 for a period of five years, expiring on July 12, 2028. The Financing Warrants were valued using the Black-Scholes option pricing model which resulted in a fair value of \$0.15 per share.

The Financing Warrants vested and became exercisable as to one-third upon the 10-day weighted average trading price of Logan Shares (the “**Market Price**”) equaling or exceeding \$0.70 per share, an additional one-third upon the Market Price equaling or exceeding \$0.7875 per share and a final one-third upon the Market Price equaling or exceeding \$0.875 per share. During the three months ended September 30, 2023, the Market Price of Logan Shares on the TSXV averaged \$0.96 per share and the Financing Warrants are now fully vested.

For purposes of the carve-out financial statements, SBC of Spartan was allocated to the Transferred Assets pro rata on a head count basis. SBC expense increased significantly in the current periods due to acceleration of vesting in connection with the conclusion of Spartan’s repositioning process.

Shareholders of the Company approved Logan’s stock option plan and share award incentive plan on May 16, 2023 (the “**LTI Plans**”). As of September 30, 2023, there were no stock options or share awards granted under Logan’s LTI Plans. On November 22, 2023, the Company’s Board of Directors approved the grant of 22.7 million stock options (refer to “Subsequent Events”).

FINANCING

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Interest and fees on bank debt	29	-	-	29	-	-
Interest income	(1,019)	-	-	(1,019)	-	-
Interest expense (income)	(990)	-	-	(990)	-	-
Financing cost of lease liabilities	4	4	-	10	14	(29)
Accretion of decommissioning obligations	229	226	1	675	566	19
Financing expense (income)	(757)	230	(429)	(305)	580	(153)
Financing expense (income) (\$/BOE)	(1.52)	0.42	(462)	(0.21)	0.33	(164)

During the three months ended September 30, 2023, Logan earned \$1.0 million of interest income on cash raised through the July 2023 Financings which more than offset financing expenses in the period.

Logan has access to a \$15.0 million revolving demand credit facility with National Bank of Canada. The Credit Facility was undrawn during the quarter. Total interest and fees on bank debt includes standby fees on the undrawn facility and amortization of upfront fees incurred to establish the Credit Facility. Additional information is provided under the heading "Capital Resources and Liquidity".

EXPLORATION AND EVALUATION EXPENSES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Expired mineral leases	-	135	(100)	-	169	(100)
Impairment	-	-	-	21,017	-	-
Exploration and evaluation expense	-	135	(100)	21,017	169	nm
Exploration and evaluation (\$ per BOE)	-	0.24	(100)	14.74	0.10	nm

As at March 31, 2023, an impairment loss of \$21.0 million on E&E assets was recognized based on Spartan's historical records for the Transferred Assets. Spartan recognized an impairment loss on the Simonette and Pouce Coupe exploration and evaluation ("E&E") assets as these assets were not a development focus of Spartan, with no capital allocated to develop these E&E assets beyond the values captured in the reserve report. The estimated fair value was based on an independent third party land valuation of \$5.7 million for the undeveloped Flatrock property. As at September 30, 2023, there were no further indicators of impairment relating to E&E assets.

DEPLETION, DEPRECIATION AND IMPAIRMENT ("DD&I")

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Depletion and depreciation of PP&E	5,982	5,064	18	17,091	16,225	5
Depreciation of ROU Assets	38	35	9	107	105	2
Depletion and depreciation	6,020	5,099	18	17,198	16,330	5
Impairment of PP&E	-	-	-	7,566	-	-
Total DD&I expense	6,020	5,099	18	24,764	16,330	52
Depletion and depreciation (\$ per BOE)	12.13	9.17	32	12.04	9.19	31
Total DD&I expense (\$ per BOE)	12.13	9.17	32	17.33	9.19	89

The Company reported depletion and depreciation ("D&D") expense of \$6.0 million (\$12.13 per BOE) for the third quarter of 2023, up 32% from \$5.1 million (\$9.72 per BOE) in the third quarter of 2022. The increase in D&D expenses per BOE is primarily due to a decrease in proved and probable reserves attributed to the Transferred Assets as at

December 31, 2022 compared to reserves booked at December 31, 2021, reflecting Spartan's allocation of capital to other assets within its portfolio.

Total DD&I expense for the nine months ended September 30, 2023, includes an impairment loss on PP&E of \$7.6 million recognized by Spartan as at March 31, 2023 in respect of the Transferred Assets. The recoverable amount of the PP&E assets was based on the fair value less cost of disposal ("FVLCD") of the assets, calculated using the present value of the expected future cash flows discounted at 13% after tax. As at September 30, 2023, there were no further indicators of impairment relating to PP&E assets.

INCOME TAXES

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Current income tax	-	-	-	-	-	-
Deferred income tax recovery	(210)	-	-	(210)	-	-
Effective tax recovery rate	1.9%	-	-	0.5%	-	-

Logan is subject to income taxes at a combined federal and provincial statutory tax rate of 23.0%. Logan's effective tax recovery rate of 1.9% and 0.5%, respectively, for the three and nine months ended September 30, 2023, is less than the statutory rate primarily due to non-deductible share based payment expense recorded in the period. Additionally, the Company did not record current or deferred income taxes for the carve-out financial statements as Logan was not the legal obligor to either the deferred taxes or the tax pools utilized for periods prior to the Spin-Out.

Logan's total available tax pools are estimated to be approximately \$94.1 million as at September 30, 2023, up from \$60.6 million of tax pools transferred on the Spin-Out as capital expenditures exceeded cash flow in the period. The composition of the Company's estimated tax pools is summarized in the table below.

<i>(CA\$ thousands, unless otherwise indicated)</i>	Rate ⁽¹⁾	September 30, 2023	December 31, 2022
Canadian oil and gas property expenses (COGPE)	10%	46,833	-
Canadian development expenses (CDE)	30%	20,199	-
Canadian exploration expenses (CEE)	100%	3,002	-
Undepreciated capital cost (UCC) ⁽²⁾	25%	13,300	-
Share issue costs (SIC)	5 years	79	-
Non-capital losses (NCL) ⁽³⁾	100%	10,667	-
Total available tax pools (estimate)		94,080	-

(1) The deduction rates shown represent the maximum annual deduction permitted on a declining balance basis, except for share issue costs which are deductible on a straight-line basis over 5 years.

(2) The majority of the UCC balance relates to Class 41 assets which are deductible at 25% per year.

(3) NCLs expire in year 2043.

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

<i>(CA\$ thousands, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Revenue	15,458	24,563	(37)	45,531	88,466	(49)
Expenses	(26,376)	(17,604)	50	(90,931)	(53,499)	69
Net income (loss) before taxes	(10,918)	6,959	(257)	(45,400)	34,967	(230)
Deferred income tax expense (recovery)	(210)	-	-	(210)	-	-
Net income (loss) and comprehensive income (loss)	(10,708)	6,959	(254)	(45,190)	34,967	(229)
WA Shares outstanding – basic (000s)	415,124	173,201	140	254,728	173,201	47
WA Shares outstanding – diluted (000s) ⁽¹⁾	484,936	732,201	180	309,622	173,201	79
Net income (loss) \$ per share basic and diluted	(0.03)	0.04	(175)	(0.18)	0.20	(190)

(1) In computing the diluted loss per common share for both the three and nine months ended September 30, 2023, the Company excluded the effect of the Transaction Warrants and Financing Warrants as they were anti-dilutive to the net loss per share.

The Company incurred a net loss of \$10.7 million (\$0.03 per share) for the third quarter and \$45.2 million (\$0.18 per share) for the first nine months of 2023. The loss in the current quarter primarily resulted from a one-time charge of \$9.8 million of share based payment expense related to the Financing Warrants. By comparison, the Transferred Assets generated net income of \$7.0 million (\$0.04 per share) and \$35.0 million (\$0.20 per share) in the corresponding periods of 2022 in which commodity prices averaged the highest levels of the past decade. In addition to the effect of lower commodity prices, the decrease in profitability in the current periods reflects the declining production base as Spartan allocated minimal capital to the Transferred Assets prior to the Spin-Out, contributing to higher per unit expenses as well as an aggregate impairment loss of \$28.6 million recognized by Spartan as at March 31, 2023.

CASH PROVIDED BY OPERATING ACTIVITIES AND ANALYSIS OF OTHER NON-GAAP MEASURES

The tables in this section outline the components of the Company's cash provided by operating activities as well as the average Netback (\$ per BOE) for each component. The subtotals provided in the table for Operating Income and Adjusted Funds Flow are used by Logan as key performance measures but are not intended to replace cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS. Refer to advisories under "Non-GAAP and Other Financial Measures".

Third Quarter of 2023 compared to Third Quarter of 2022

<i>Amounts are CA\$ thousands, except as noted</i>	Q3/23	Q3/22	%	Q3/23 \$/BOE	Q3/22 \$/BOE	%
Oil and gas sales	17,488	27,668	(37)	35.24	49.78	(29)
Processing and other revenue	873	795	10	1.76	1.43	23
Royalties	(2,903)	(3,900)	(26)	(5.85)	(7.02)	(17)
Operating expenses	(7,841)	(8,152)	(4)	(15.80)	(14.67)	8
Transportation expenses	(2,190)	(1,845)	19	(4.41)	(3.32)	33
Operating Income / Netback ⁽¹⁾	5,427	14,566	(63)	10.94	26.20	(58)
G&A expenses	(1,250)	(1,610)	(22)	(2.52)	(2.90)	(13)
Financing income (expense) ⁽²⁾	986	(4)	nm	1.98	(0.01)	nm
Realized foreign exchange gain	(1)	-	-	-	-	-
Settlement of decommissioning obligations	(3)	(37)	(92)	(0.01)	(0.07)	(86)
Transaction costs	(43)	-	-	(0.09)	-	-
Funds from Operations ⁽¹⁾	5,116	12,915	(60)	10.30	23.22	(56)
Change in non-cash working capital	42	4,010	(99)	0.08	7.21	(99)
Cash provided by operating activities	5,158	16,925	(70)	10.38	30.43	(66)
Funds from Operations ⁽¹⁾	5,116	12,915	(60)	10.30	23.22	(56)
Add back: transaction costs	43	-	-	0.09	-	-
Adjusted Funds Flow	5,159	12,915	(60)	10.39	23.22	(55)
Adjusted Funds Flow per share ⁽¹⁾						
Basic (\$ per common share)	0.01	0.07	(86)			
Diluted (\$ per common share)	0.01	0.07	(86)			

(1) Refer to "Non-GAAP Measures" section of this MD&A.

(2) Excludes non-cash accretion of decommissioning obligations.

Logan generated \$5.2 million of Adjusted Funds Flow for the three months ended September 30, 2023, down from \$12.9 million in the third quarter of 2022. The decrease in Adjusted Funds Flow was driven by lower Operating Income which decreased primarily due to lower revenues and higher transportation costs, partly offset by lower royalties and operating costs.

Logan's cash provided by operating activities was \$5.2 million and \$16.9 million for the three months ended September 30, 2023 and 2022, respectively, which includes the impact of changes in non-cash working capital. The change in non-cash working capital varies each period based on seasonal changes in corporate activity levels, the impact of production levels and commodity prices on accrued revenue receivable, and timing of processing payments, among other factors. In the third quarter of 2023, the nominal net increase in non-cash operating working capital is primarily due to increases in accounts receivable and prepaids offsetting increases in operating accounts payable at September 30, 2023 compared to June 30, 2023, reflecting conveyance of the Transferred Assets for a full quarter.

Nine Months Ended September 30, 2023 compared to Nine Months Ended September 30, 2022

<i>Amounts are CA\$ thousands, except as noted</i>	2023	2022	%	2023	2022	%
				\$/BOE	\$/BOE	
Oil and gas sales	50,205	98,715	(49)	35.14	55.55	(37)
Processing and other revenue	2,525	2,450	3	1.77	1.38	28
Royalties	(7,199)	(12,699)	(43)	(5.04)	(7.15)	(30)
Operating expenses	(22,902)	(24,748)	(7)	(16.03)	(13.93)	15
Transportation expenses	(5,391)	(5,944)	(9)	(3.77)	(3.34)	13
Operating Income / Netback ⁽¹⁾	17,238	57,774	(70)	12.07	32.51	(63)
G&A expenses	(4,010)	(4,594)	(13)	(2.81)	(2.58)	9
Financing ⁽²⁾	980	(14)	nm	0.68	(0.01)	nm
Realized foreign exchange gain	(1)	-	-	-	-	-
Settlement of decommissioning obligations	(252)	(226)	12	(0.18)	(0.13)	38
Transaction costs	(43)	-	-	(0.03)	-	-
Funds from Operations ⁽¹⁾	13,912	52,940	(74)	9.73	29.80	(67)
Change in non-cash working capital	(1,134)	3,617	(131)	(0.79)	2.04	(139)
Cash provided by operating activities	12,778	56,557	(77)	8.94	31.84	(72)
Funds from Operations ⁽¹⁾	13,912	52,940	(74)	9.73	29.80	(67)
Add back: transaction costs	43	-	100	0.03	-	100
Adjusted Funds Flow	13,955	52,940	(74)	9.76	29.80	(67)
Adjusted Funds Flow per share ⁽¹⁾						
Basic (\$ per common share)	0.05	0.31	(84)			
Diluted (\$ per common share)	0.05	0.31	(84)			

(1) Refer to "Non-GAAP Measures" section of this MD&A.

(2) Excludes non-cash accretion of decommissioning obligations.

Logan's Adjusted Funds Flow of \$14.0 million for the first nine months of 2023 decreased by 74% from \$52.9 million in the same period of 2022 driven by lower revenues between the periods. The decrease in Adjusted Funds Flow and cash provided by operating activities is driven by primarily by lower Operating Income, partly offset by lower G&A expenses. The change in non-cash working capital for the first nine months of 2023 primarily relates to the decrease in revenue and the resulting accounts receivable between December 31, 2022 and September 30, 2023.

CASH USED IN INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

The following table summarizes Capital Expenditures during the three and nine months ended September 30, 2023 and 2022. The term Capital Expenditures does not have a standardized meaning under IFRS and may not be directly comparable to measures used by other companies. The most directly comparable GAAP measure is cash used in investing activities which was \$17.3 million and \$21.0 million for the third quarter and first nine months of 2023, respectively (refer to reconciliation provided under the heading "Non-GAAP and Other Financial Measures").

CAPITAL EXPENDITURES <i>(CA\$ thousands)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
Land and seismic	3,525	35	nm	4,798	296	nm
Drilling and completion	27,334	60	nm	27,368	1,147	nm
Facilities, pipeline and well equipment	1,749	533	228	6,744	543	nm
Production optimization	928	82	nm	928	206	350
Capital Expenditures before A&D ⁽¹⁾	33,536	710	nm	39,838	2,192	nm
Acquisitions	5,144	-	-	5,244	-	-
Dispositions	-	-	-	-	(88)	-
Capital Expenditures ⁽¹⁾	38,680	710	nm	45,082	2,104	nm

(1) Refer to "Non-GAAP Measures and Ratios" for the reconciliation to cash used in investing activities.

The Company's Capital Expenditures before A&D were \$33.5 million and \$39.8 million for the three and nine months ended September 30, 2023. Logan commenced its drilling program in the third quarter which included 2.0 net wells drilled, completed and brought on production at Simonette and 2.0 net wells spud at Pouce, one of which rig released in the quarter. Subsequent to the Spin-Out, Logan also spent \$3.0 million on seismic, \$0.4 million at Crown land sales, \$1.7 million on facilities and equipment primarily related to water injections facilities at Pouce and spent \$0.9 million on production optimization primarily related to a gas lift compressor and electric submersible pump installed at Simonette.

Logan incurred \$5.2 million of acquisition costs in the period, including \$2.8 million to expand the Company's undeveloped acreage position at Simonette as well as \$2.4 million of casing and equipment purchased from Spartan (see "Related Party Disclosures").

Minimal capital expenditures were incurred prior to Spin-Out when the Transferred Assets were owned by Spartan.

CAPITAL RESOURCES AND LIQUIDITY

Logan's capital management objectives are to maintain a flexible capital structure in order to execute on strategic opportunities throughout the business cycle, respond to changes in economic conditions, meet its financial obligations and fund future settlements of decommissioning obligations.

As at September 30, 2023, the Company's capital structure is comprised of working capital and shareholders' equity.

<i>(CA\$ thousands, except as noted)</i>	September 30, 2023	December 31, 2022
Current assets	97,924	8,758
Current liabilities	(30,550)	(8,481)
Working capital surplus	67,374	277
Total shareholders' equity	162,165	95,795

Logan's working capital surplus increased from \$0.3 million at December 31, 2022 to \$67.4 million at September 30, 2023 primarily due to cash proceeds under the July 2023 Financings partly offset by an increase in capital spending as the Company commenced its capital program in the second half of 2023.

Logan is well positioned to execute on its short and longer term growth strategy. The Company's exploration and development capital expenditure budget for 2023 will be funded by a combination of cash provided by operating activities and proceeds from the July 2023 Financings, which provided Logan with net cash proceeds of \$102.2 million after issue costs. During the three months ended September 30, 2023, the Company generated \$5.2 million in cash provided by operating activities which was utilized to partly fund the Company's exploration and development capital expenditures and acquisitions of \$38.7 million.

Logan's existing capital resources, including approximately \$90.0 million of cash on hand, are sufficient to satisfy its financial obligations for the next twelve months. The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at September 30, 2023:

<i>(CA\$ thousands)</i>	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	29,081	-	-	-	29,081
Undiscounted lease liabilities	176	21	-	-	197
Total	29,257	21	-	-	29,278

The Company's 2024 capital expenditure program is expected to be funded by a combination of cash on hand, cash provided by operating activities, and supplemented by advances on the Credit Facility.

CREDIT FACILITY

As at September 30, 2023, the Company had no bank debt outstanding.

On July 26, 2023, the Company entered into a senior secured revolving demand credit facility with National Bank of Canada. The authorized borrowing base available under the Credit Facility is \$15.0 million and is undrawn as of the date of these Financial Statements. As of September 30, 2023, Logan has issued \$1.1 million of undrawn standby letters of credit which reduce the remaining borrowing capacity available under the Credit Facility. As the Credit Facility is repayable on demand, amounts drawn on the facility in the future (if any) will be presented within current liabilities.

The borrowing base is subject to semi-annual reviews occurring approximately in May and November of each year and may also be subject to redetermination upon, among other things, the liability management rating of the Company falling below 2.0 or disposing of material properties. The Credit Facility is secured by a first fixed and floating charge debenture over all the Company's assets in the amount of \$50 million and a general assignment of book debts. Repayments of principal are not required until requested by National Bank of Canada, provided that the borrowings do not exceed the authorized borrowing base and the Company is in compliance with all covenants, representations and warranties. The semi-annual review is currently underway, with no significant changes anticipated. Logan anticipates that the lenders will approve an increase to the borrowing base at the next annual review upon completion of the 2023 year-end reserves evaluation, however there is no guarantee that additional credit capacity will be available.

The Company is subject to a financial covenant under the Credit Facility, pursuant to which the Company's "Adjusted Working Capital" ratio (as defined in the credit agreement, with undrawn capacity under the Credit Facility included in the definition of current assets), calculated quarterly, shall not be less than 1.0 to 1.0. The Credit Facility also includes other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements. As at September 30, 2023, Logan's Adjusted Working Capital ratio was 3.66 and the Company is in compliance with all covenants.

The Credit Facility provides for borrowings through direct advances, bankers' acceptances and letters of credit. Interest is payable monthly for borrowings through direct advances at the bank's prime rate plus the applicable margin. Borrowings through bankers' acceptances are typically advanced for maturity periods of one to three months and are funded net of interest at the Canadian Dollar Offered Rate ("**CDOR**") plus bank stamping fees at the applicable margin. The Company will incur standby fees on the undrawn facility which also fluctuate based on the applicable margin.

SHARE CAPITAL

Common shares of Logan were listed on the TSXV and commenced trading on July 18, 2023, under the symbol "LGN".

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares and an unlimited number of special shares, each without par value. The Company issued 173.2 million common shares and 173.2 million Transaction Warrants in connection with the Spin-Out. During the three months ended September 30, 2023, 153.8 million of the total 173.2 million Transaction Warrants were exercised for proceeds of \$53.8 million and

19.4 million Transaction Warrants expired on August 14, 2023. In July 2023, 138.5 million common shares and 64.3 million Financing Warrants were issued pursuant to the Private Placement. As of September 30, 2023, and the date of this MD&A, there were 465.5 million common shares outstanding. There are no preferred shares or special shares outstanding.

The total number of outstanding securities of the Company is provided below:

<i>Number of securities outstanding (000s)</i>	March 10, 2023	September 30, 2023	November 22, 2023
Common shares	-	465,537	465,537
Financing Warrants ⁽¹⁾	-	64,286	64,286
Stock options ⁽²⁾	-	-	22,700
Total securities outstanding ⁽³⁾	-	529,823	552,523

- (1) The Financing Warrants entitle the holder to purchase Logan Shares at an exercise price of \$0.35 per common share on or before July 12, 2028.
- (2) On November 22, 2023 the Company's Board of Directors approved the grant of 22.7 million stock options with an exercise price of \$0.89 per common share and a five year term (refer to "Subsequent Events").
- (3) The total number of securities outstanding is provided for information purposes only. This calculation does not factor in whether the securities are in-the-money or the number of shares deemed to be repurchased under the treasury stock method in accordance with IFRS. As such it should not be viewed as an alternative to the diluted weighted average number of common shares outstanding determined in accordance with IFRS, as presented in the table below.

For the purposes of computing net income (loss) per share, the number of shares outstanding for the periods prior to the Spin-Out is deemed to be the number of shares issued by the Company to Spartan upon closing of the Spin-Out (173.2 million). The table below summarizes the weighted average number of common shares outstanding (000s) used in the calculation of diluted EPS and diluted AFF per share:

<i>(000s)</i>	Three months ended September 30			Nine months ended September 30		
	2023	2022	%	2023	2022	%
WA Shares outstanding, basic	415,124	173,201	140	254,728	173,201	47
Dilutive effect of outstanding securities ⁽¹⁾	69,812	-	-	54,894	-	-
WA Shares outstanding, diluted	484,936	173,201	180	309,622	173,201	79

- (1) Dilutive effect of outstanding securities includes the incremental dilutive impact of the Transactions Warrants between the date of issuance of June 20, 2023 and the exercise of the Transaction Warrants, in addition to the dilutive impact of the Financing Warrants from the date of issuance on July 12, 2023.

For the three and nine months ended September 30, 2023, the outstanding securities were antidilutive to Logan's net loss per share, however they are dilutive to AFF per share.

COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of September 30, 2023:

<i>(CA\$ thousands)</i>	2023	2024	2025	2026	2027	Thereafter
Gas transportation ⁽¹⁾	1,136	4,545	4,545	2,012	745	696
Liquids transportation ⁽²⁾	40	197	231	60	-	-
Processing fees ⁽³⁾	1,346	6,927	7,569	7,638	5,018	26,176
Capital commitments ⁽⁴⁾	966	1,730	-	-	-	-
Total commitments ⁽⁵⁾	3,488	13,399	12,345	9,710	5,763	26,872

- (1) Logan has firm transportation commitments on natural gas pipelines in Alberta until April 2029. Refer to "Subsequent Events" for information regarding additional firm transportation commitments entered into subsequent to September 30, 2023.
- (2) Relates to upstream NGLs transportation contract in place until March 2026.
- (3) Processing fee commitments relate to the following agreements: (i) firm capacity for natural gas gathering and processing at the NorthRiver Fourth Creek and Gordondale East gas plants until March 2027; and (ii) firm capacity for natural gas gathering and processing

at the Kanata Simonette gas plant until September 2040. In July 2023, the Company entered into a new contract for natural gas gathering and processing at the NorthRiver Fourth Creek and Gordondale East gas plants, superseding the previous agreements and commitments.

- (4) Capital commitments relates to agreements committing Logan to purchase a total \$4.0 million of casing and tubing for future capital projects over 2023 to 2024, of which \$2.7 million is remaining.
- (5) The commitments table does not include lease liabilities. A contractual maturity of the Company's financial liabilities and undiscounted lease payments is provided under "Capital Resources and Liquidity".

OFF-BALANCE SHEET ARRANGEMENTS

Except for the commitments and contingencies disclosed herein, the Company does not believe it has any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future impact of the Company's financial condition, results of operations, liquidity or capital expenditures.

RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

As at September 30, 2023, Logan is a stand alone legal entity. Logan was initially incorporated on March 10, 2023 as a wholly owned subsidiary of Spartan. On July 6, 2023, the Distribution of Logan Shares and Transaction Warrants to eligible holders of common shares of Spartan was completed and Logan ceased to be a subsidiary, and consequently is no longer a related party of Spartan.

Logan and Spartan entered into an agreement to support the transition of resources through the Spin-Out (the "**Transition Services Agreement**"). Pursuant to the Transition Services Agreement, Spartan provided certain administrative services to Logan and Logan provided certain administrative services to Spartan. These services are billed based on time incurred and included as part of G&A expenses. Logan incurred net costs of \$0.2 million under the Transition Services Agreement from June 20, 2023 to July 6, 2023.

Subsequent to the completion of the Spin-Out, Logan acquired an additional \$2.4 million of casing and equipment from Spartan to be utilized in Logan's development program. On Distribution, the Company's accounts payable included \$2.5 million payable to Spartan primarily related to the casing and equipment purchased, reimbursement of prepaid operating expenses related to the Transferred Assets and costs under the Transition Services Agreement, partly offset by net operating income of the Transferred Assets for the period of June 20, 2023 to July 6, 2023 (December 31, 2022 - nil).

b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers, board of directors and corporate secretary. The following table summarizes management compensation paid or payable during the three and nine months ended September 30, 2023 and 2022. For purposes of the carve-out financial statements, Spartan's key management compensation was allocated pro rata based on relative headcount of the officers and directors of Spartan and Logan up to June 20, 2023.

<i>(CA\$ thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Salaries and benefits	203	914	2,037	2,742
Share based compensation	-	545	5,540	1,635
Total key management compensation	203	1,459	7,577	4,377

Allocated SBC expense in the first half of 2023 is inclusive of the impact of Spartan accelerating the vesting of the issued and outstanding stock options and share awards (see also, "Share Based Compensation"). As of the date hereof, there have been no stock options or share awards granted under Logan's long term incentive plans.

SUBSEQUENT EVENTS

In November 2023, Logan entered into agreements to secure additional firm transportation at its core Pouce Coupe and Simonette areas in Alberta. Under the contracts, Logan has a total commitment of approximately \$50 million over the term from November 2027 to October 2035. Concurrently, Logan entered into an agreement with a midstream partner to secure access to natural gas transportation at Pouce Coupe for a cost of approximately \$2.3 million, expected to be incurred over 2024 to 2025.

On November 22, 2023, the Company's Board of Directors approved the grant of 22.7 million stock options with an exercise price of \$0.89 per common share and a five year term. The options vest as to one-third on each of the first, second and third anniversary of the grant date. Of the total number of options granted, an aggregate of 9.7 million options were granted to officers and directors of the Company.

SUMMARY OF QUARTERLY INFORMATION

The table below summarizes selected financial and operational information over the past eight quarters. As further described under the heading "Common Control Transaction", the financial and operational results herein present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a "carve-out" basis as if they had operated as a stand-alone entity subject to Spartan's control. The financial position, results of operations and cash flows from March 10, 2023 (the date of incorporation of Logan) to June 20, 2023 include both the Transferred Assets and Logan on a combined basis, and from June 20, 2023 forward include the actual historical results of Logan after assuming the Transferred Assets upon close of the Spin-Out.

Significant judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan. The carve-out financial statements do not necessarily reflect what the financial position, results of operations and cash flows would have been had these net assets been in a separate entity, or the future results of Logan, as it exists after the completion of the Spin-Out.

<i>(CA\$ millions, except as noted)</i>	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Revenue	15,458	13,400	19,016	32,317	24,563	32,317	31,586	26,595
Net income (loss) and comprehensive income (loss)	(10,708)	(3,856)	(30,626)	4,436	6,959	14,756	13,251	7,290
\$ per share, basic	(0.03)	(0.02)	(0.18)	0.03	0.04	0.09	0.08	0.04
\$ per share, diluted	(0.03)	(0.02)	(0.18)	0.03	0.04	0.09	0.08	0.04
Adjusted Funds Flow ⁽¹⁾	5,159	3,142	5,655	11,166	12,914	20,515	19,508	14,456
Capital Expenditures ⁽¹⁾	38,680	5,478	924	5,448	710	374	1,020	22,060
Total assets	218,390	94,913	95,549	131,903	132,483	141,544	148,701	156,595
Working capital surplus (deficit)	67,374	(5,227)	(3,274)	277	536	4,788	3,635	(10,019)
Long-term liabilities	25,675	28,297	28,442	27,627	29,564	28,989	32,329	36,508
Shareholders' equity	162,165	56,791	58,778	95,795	95,465	104,396	108,045	99,178
Average daily production (BOE/d)	5,394	5,015	5,290	5,627	6,041	6,144	7,358	6,100
% Oil and NGLs	24%	22%	23%	24%	25%	25%	29%	31%
Average realized price (\$ per BOE)	35.24	30.02	39.94	49.88	49.78	65.17	52.26	47.39
Operating Netback (\$ per BOE) ⁽¹⁾	10.94	10.01	15.21	25.14	26.20	39.60	31.80	28.85

(1) "Adjusted Funds Flow", "Capital Expenditures" and "Operating Netbacks" do not have standardized meanings under IFRS, refer to "Non-GAAP Measures and Ratios".

The Transferred Assets were acquired by Spartan principally through an acquisition completed on March 18, 2021 and a second acquisition completed on August 31, 2021. In the fourth quarter of 2021, 3.0 net Pouce Coupe wells were drilled and brought on production, reflected both in the capital spending of the quarter as well as the revenue, net income and Adjusted Funds Flow that carried into 2022. Subsequent to the wells drills in the fourth quarter of 2021,

Spartan focused its capital program on other assets in its portfolio with the revenue, net income (loss) and Adjusted Funds Flow of the Transferred Assets reflecting production volumes declines and fluctuations in the underlying commodity benchmark prices. During the second quarter of 2022, commodity prices reached decade highs, more than offsetting the impact of production declines on revenue and net income during the quarter. During the first quarter of 2023, Spartan recognized total impairments of \$28.6 million on the Transferred Assets (see “Exploration and Evaluation Expense” and “Depletion, Depreciation and Impairment”). Logan commenced active operations and its drilling program in the third quarter of 2023, driving the increase in capital spending as well as higher production volumes and revenue, together with higher average realized prices. The July 2023 Financings were completed for net proceeds of approximately \$102.2 million, funding Logan’s working capital surplus as at September 30, 2023. The net loss reported for the third quarter of 2023 primarily resulted from a one-time charge of \$9.8 million of share based compensation expense related to the Financing Warrants.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are described in note 3 of the Interim Financial Statements as at September 30, 2023.

The International Accounting Standards Board has issued a number of new accounting standards, amendments to accounting standards and interpretations that are effective for periods beginning on or after January 1, 2024. None of the accounting pronouncements are expected to have a material impact upon initial adoption. Logan will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. The significant judgements, estimates and assumptions made by management are consistent with those outlined in note 2 of the Interim Financial Statements.

Notably, the carve-out financial statements present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 30, 2023 on a carve-out basis as if they had operated as a stand-alone entity subject to Spartan’s control. Significant judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan. Refer to note 2b) of the Interim Financial Statements for discussion of the basis of measurement and allocations from Spartan. The carve-out financial statements do not necessarily reflect what the financial position, results of operations and cash flows would have been had these net assets been in a separate entity, or the future results of Logan, as it exists after the completion of the Spin-Out.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing crude oil and natural gas reserves is inherently risky. The Company is subject to both risks that directly affect Logan’s business and operations, as well as indirect risks that impact third parties or industry generally. The following information is a summary only of certain risk factors relating to the Company and should be read in conjunction with the Company’s Listing Application dated July 12, 2023 which can be found at www.sedarplus.ca. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company’s other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company’s business and the oil and natural gas business generally.

Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company's cash flows, net income or fair value of financial instruments. Logan's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. The Company may utilize derivative financial instruments and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company's risk management policies.

a) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar. A strengthening in the Canadian dollar against the U.S. dollar could negatively impact the commodity prices realized by Logan, even with no change in the underlying commodity U.S. benchmark.

From time to time, Logan may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. Similarly, the Company may enter into agreements to fix the differential or discount pricing gap which exists, and may fluctuate between different grades of crude oil, NGLs and natural gas and the various market prices received for such products. However, if commodity prices increase or differentials narrow beyond the levels set in such agreements, Logan may be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk and the Company may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. In addition, if the Company enters into hedging arrangements it may be exposed to the risk of financial loss in certain circumstances, including instances in which: production falls short of the hedged volumes or prices fall significantly lower than projected; there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement; the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; and/or a sudden unexpected material event impacts crude oil and natural gas prices.

The Company does not currently have any commodity price risk management contracts in place.

b) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Although the Company currently has no bank debt outstanding, under the Credit Facility interest rates will fluctuate based on the bank prime rate plus an applicable margin. The Company will be exposed to interest rate risk on its cash and cash equivalents. The Company does not currently have any interest rate risk management contracts in place.

c) Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. Logan is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. The Company does not currently have any foreign exchange risk management contracts in place.

Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at September 30, 2023, Logan's financial liabilities include accounts payable and lease liabilities. As at September 30, 2023, Logan's Credit Facility was undrawn. A contractual maturity analysis is provided in the "Capital Resources and Liquidity" section of this MD&A. Logan's existing capital resources are sufficient to satisfy its financial obligations for the next twelve months.

The Company is early in its life cycle and its development program is capital intensive. From time to time, Logan's cash flow from operating activities may not be sufficient to fund its growth objectives. As such, Logan may be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Although the Company has been successful in establishing its Credit Facility and accessing equity capital markets to date, there is no guarantee of obtaining future financings.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. As at September 30, 2023, the Company's financial assets include cash and cash equivalents, accounts receivable and deposits. Cash and cash equivalents are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners. The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. At September 30, 2023, the full balance of the Company's receivables of \$6.3 million was current. The expected credit loss provision on current receivables as at September 30, 2023 and at December 31, 2022 is nominal.

ABBREVIATIONS

A&D	acquisitions and dispositions
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System, the Canadian benchmark price for natural gas
API	American Petroleum Institute gravity
bbbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
G&A	general and administrative expenses
GAAP	refers to Canadian Generally Accepted Accounting Principles, which incorporate International Financial Reporting Standards (" IFRS ") for public companies
GJ	gigajoule
H2 2023	six months ending December 31, 2023
mbbls	one thousand barrels
mBOE	one thousand barrels of oil equivalent
mcf or MCF	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MM	millions of dollars
mmbtu	one million British thermal units
mmcf	one million cubic feet
mmcf/d	one million cubic feet per day
nm	"not meaningful", generally with reference to a percentage change
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
Q1 2023	first quarter of 2023
Q2 2023	second quarter of 2023
Q3 2023	third quarter of 2023
Q1 2022	first quarter of 2022
Q2 2022	second quarter of 2022
Q3 2022	third quarter of 2022
Q4 2022	fourth quarter of 2022
TSXV	TSX Venture Exchange
US\$	United States dollar
WTI	West Texas Intermediate, price paid in US\$ at Cushing, Oklahoma, for crude oil of standard grade

FORWARD-LOOKING STATEMENTS

Certain statements contained within this MD&A 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", "endeavour", "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. The Company believes that the expectations reflected in such forward-looking statements are reasonable, 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 MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company with respect to its growth strategy and business plan;
- Logan's Updated H2 2023 Guidance and 2024 Guidance, including with respect to production, costs, drilling, completions, tie-ins and infrastructure;
- the assumption that new gas processing commitments at Pouce Coupe will be sufficient for near-term growth plans and retain long-term optionality;
- the expected completion and on stream date for the 4-10 Pad at Simonette;
- the timing of drilling its first two wells and completing and testing one well at Flatrock;
- Logan's intention to maintain a flexible capital structure and to maintain a strong balance sheet to allow the Company to take advantage of opportunities;
- capital resources and liquidity, including Logan's expectations regarding sources of funding for future development capital expenditures and acquisitions, and the assumption that the borrowing base under the Company's Credit Facility will be increased following the annual review and completion of the 2023 year-end reserves report;
- estimates used to calculate the fair value of the Financing Warrants;
- estimates used to calculate decommissioning obligations and depletion and impairment of PP&E;
- estimates used to calculate deferred income taxes and estimated available tax pools;
- commitments and contingencies; and
- expectations for forecast commodity prices in 2023, 2024 and beyond.

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, 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 (including Russia's ongoing military actions in Ukraine and the recent crisis in Israel and Gaza), hostilities, civil insurrections, 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 the current COVID-19 pandemic and the retention of key management and employees. Ongoing military actions between Russia and Ukraine and the recent crisis in Israel and Gaza have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of the actions between these nations remains uncertain. The foregoing list is not exhaustive. Please refer to Logan's Listing Application dated July 12, 2023 for discussion of additional risk factors relating to Logan, which

can be accessed on its SEDAR+ profile at www.sedarplus.ca or on the Company's website at www.LoganEnergyCorp.com.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Logan's prospective results of operations and production, including expectations to exit 2024 above 10,000 BOE per day, organic growth, operating costs, capital expenditures, Adjusted Funds Flow, working capital, Operating Netback, Logan's Updated H2 2023 Guidance and 2024 Guidance and components thereof, 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 2023 and 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, 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.