EVALUATION OF CONTINGENT RESOURCES

BA-IX MINING LICENCE, HUNGARY
KISKUNHALAS TIGHT-GAS SAND PROJECT

Owned by

CANCAMBRIA ENERGY CORP.

December 31, 2023
(January 1, 2024)

Chapman Hydrogen and Petroleum Engineering Ltd.

August 20, 2024

CanCambria Energy Corp.
1120 - 625 Howe St.
Vancouver, BC
V6C 2T6

Attention: Dr. Chris Cornelius, PhD

Dear Sir:

Re: Evaluation of Contingent Resources – CanCambria Energy Corp.
<u>Kiskunhalas Tight-Gas Project, Hungary – December 31, 2023</u>

In accordance with your authorization, we have prepared a resource evaluation report on the Contingent Resources in the Kiskunhalas Tight-Gas Project located in the BA-IX Mining Licence, Hungary, owned by CanCambria Energy Corp. (the "Company") for an effective date of December 31, 2023 (January 1, 2024).

This evaluation has been conducted in accordance with National Instrument 51-101, Sec. 5.9, of the Canadian Securities Administrators pertaining to disclosure of resources and is compliant with the internationally accepted Petroleum Resources Management System (PRMS) standard and the Canadian Oil and Gas Evaluation Handbook (COGEH). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology used in the preparation of the report.

The EXECUTIVE SUMMARY contains the results of this Contingent Resources evaluation, before and after risk.

The DISCUSSION contains a description of the property and our analysis and results including a review of the available technical data presented in a report by the Company.

The WORK PROGRAM prepared by the Company is contained in Appendix A showing a budget for the short term of $1.2 million. It is our opinion that the work plan is well conceived, and we agree with it.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

All data gathered and calculations created in support of this report are stored permanently in our files and can be made available or presented on request. We reserve the right to make revisions to this report in light of additional information made available or which becomes known subsequent to the preparation of this report. Due to the risks involved in exploring for oil and gas reserves, our assessment of the project cannot be considered a guarantee that any wells drilled will be successful.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Hydrogen and Petroleum Engineering Ltd.

PERMIT TO PRACTICE
CHAPMAN HYDROGEN AND PETROLEUM ENGINEERING LTD
RM SIGNATURE: C.W. Chapman
RM APEGA ID #: 11438
DATE: August 20, 2024
PERMIT NUMBER: P004201
The Association of Professional Engineers and Geoscientists of Alberta (APEGA)

[Original Signed By:]
[Signature], [Licenced Professional's Stamp]
[Membership ID Number]
August 20, 2024
C. W. Chapman, P. Eng.,
President

[Original Signed By:]
[Signature], [Licenced Professional's Stamp]
[Membership ID Number]
August 20, 2024
Khaled (Kal) A. Latif, P.Geol.
Vice President - Geoscience

cwc/lml/7044

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy (AIMM) and the Society of Petroleum Evaluation Engineers (SPEE).

2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for CanCambria Energy Corp., dated August 20, 2024, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of CanCambria Energy Corp., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
August 20, 2024
C.W. Chapman, P.Eng.
President

PERMIT TO PRACTICE
CHAPMAN HYDROGEN AND PETROLEUM ENGINEERING LTD
RM SIGNATURE: [Signed By: C.W. Chapman]
RM APEGA ID #: 11438
DATE: August 20, 2024
PERMIT NUMBER: P004201
The Association of Professional Engineers and Geoscientists of Alberta (APEGA)

CERTIFICATE OF QUALIFICATION

I, KHALED (KAL) A. LATIF, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Geologist in the Province of Alberta.

2. THAT I graduated from the University of Alexandria with a Bachelor of Science degree in Geology in 1979.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in geology, geophysics, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for CanCambria Energy Corp., dated August 20, 2024, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of CanCambria Energy Corp., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
August 20, 2024
Khaled (Kal) A. Latif, P.Geol.
Vice President - Geoscience

EVALUATION OF
CONTINGENT RESOURCES

BA-IX MINING LICENCE, HUNGARY
KISKUNHALAS TIGHT-GAS SAND PROJECT

Owned by

CANCAMBRIA ENERGY CORP.

December 31, 2023
(January 1, 2024)

TABLE OF CONTENTS

INTRODUCTION

INDEX

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Dr. Chris Cornelius, on behalf of CanCambria Energy Corp. The engineering analysis has been performed during the months of June through August 2024.

2. PURPOSE OF THE REPORT

The purpose of this report was to independently determine the volumes of Contingent Resources in the Kiskunhalas Tight-Gas Sand Project, Hungary and to determine the range of the magnitude of the Contingent Resources before and after the consideration of risk.

3. USE OF THE REPORT

The report is intended to support a prospectus for an IPO on the TSXV.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the Contingent Resources on the properties included in this report has been conducted in accordance with the Canadian Oil & Gas Evaluation Handbook (COGEH). COGEH describes a project as “a defined activity, or set of activities, that provides the basis for assessment and classification of resources”.

This evaluation of Contingent Resources is considered to be a development study.

Contingent Resources are “discovered resources” which are usually estimated based on deterministic methods based on data from existing wells on the same or analogous properties.

In preparing the evaluation the same methods and/or criteria are used as for evaluating reserves, except that certain “contingencies” exist which need to be overcome before a reserves classification can be assigned. The assumption is made in the evaluation procedure that the contingencies would be solved and any capital requirements to accomplish this are appropriately accounted for. The results of the evaluation are then adjusted to account for the probability of the contingencies being resolved.

The Evaluation Standard, Section 6.0 of this Introduction presents the COGEH resource definitions and other related terms used in the evaluation of Contingent Resources.

4.2 Land Survey System

The land ownership is defined by the terms of the BA-IX Mining Licence.

4.3 Economics

An economic analysis was not required for this report.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to “Barrels of Oil Equivalent” (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Ownership and Burdens have been derived from the Company's land records and other information from the Company as required for clarification;
ii) Geological and seismic information was derived from a report prepared by the Company;

iii) Raw well log data was provided by the Company;

iv) Gas analysis was available from a report prepared by the Company.

5.2 Fiscal Regime

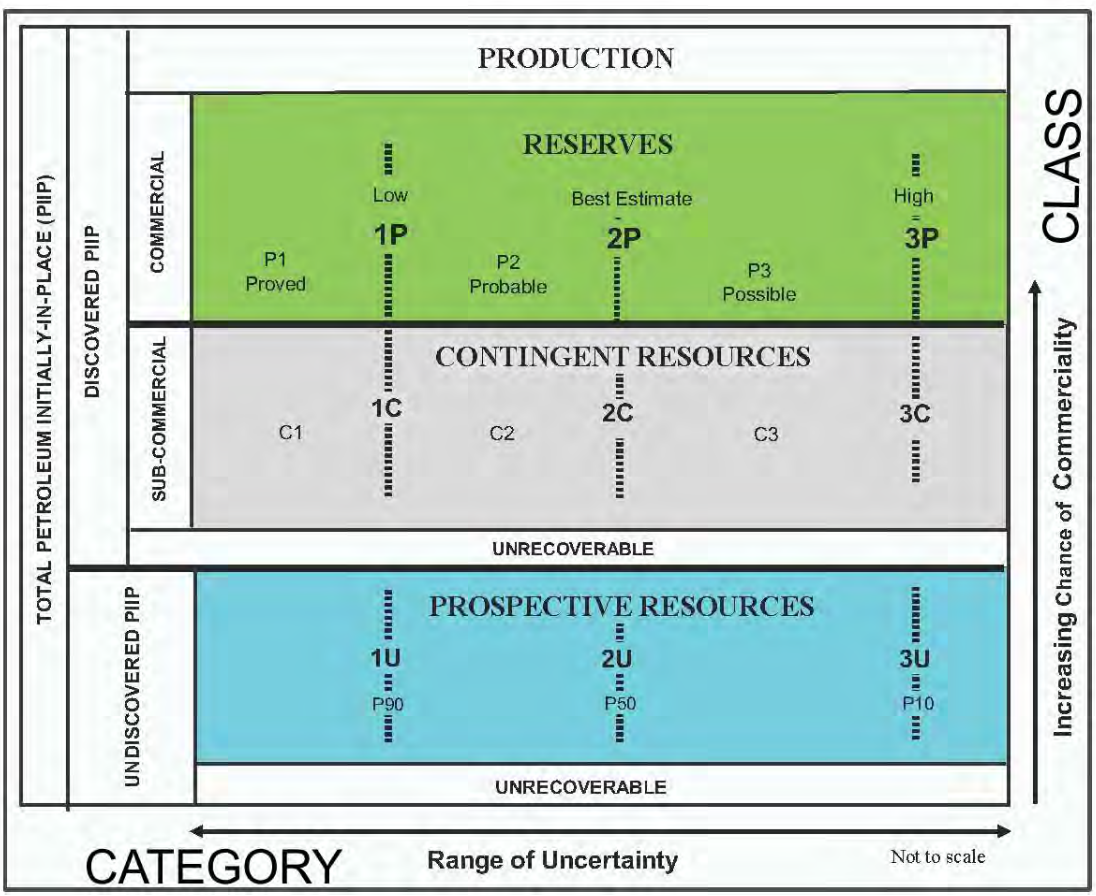
The fiscal regime, i.e. royalties, production sharing terms, etc., has been described in the body of the report discussion.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the “Canadian Oil and Gas Evaluation Handbook”, revised January 2022 (“COGEH”), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, ‘CLASS’ forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, ‘CATEGORY’ forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to “total resources”).

Discovered PIIP (equivalent to “discovered resources”) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to “undiscovered resources”) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as “Prospective Resources”, the remainder as “unrecoverable”.

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

6.2 <u>Resource Definitions</u>

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

<u>RESERVES CATEGORIES</u>

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	Confidence Characterization
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

<u>DEVELOPMENT AND PRODUCTION STATUS</u>

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

    i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

    ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling and completing a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to “individual Reserves entities,” which refers to the lowest level at which Reserves calculations are performed, and to “Reported Reserves,” which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

6.2.2 Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclarified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

6.2.3 Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from “play” to “lead” to “prospect” as demonstrated in the chart below (Section 6.3).

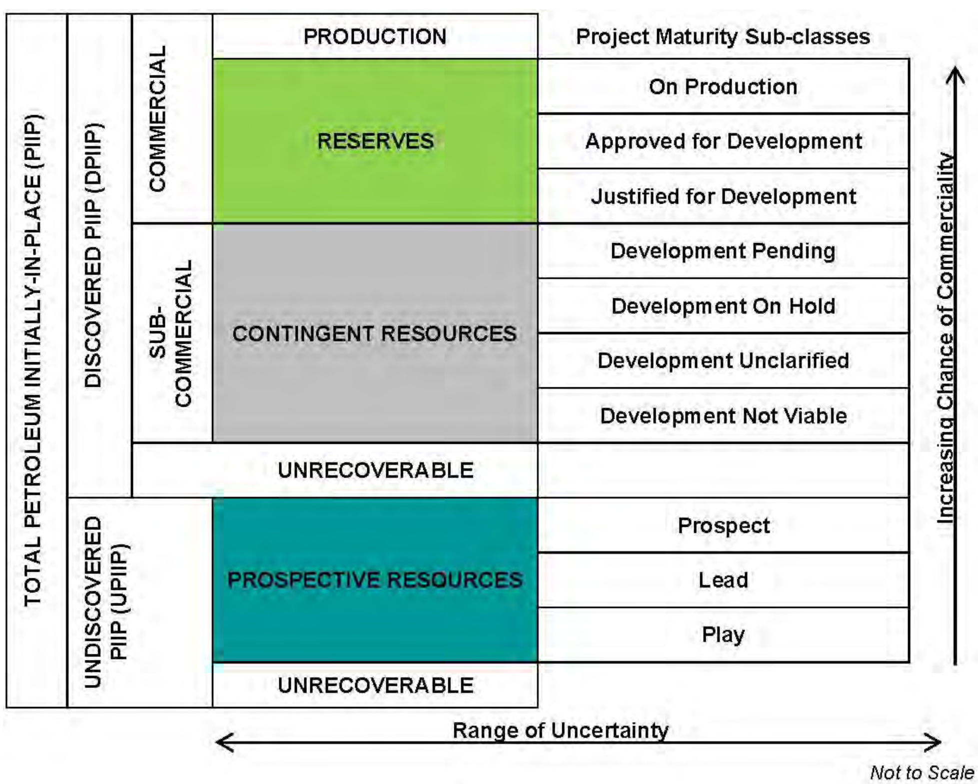
A “play” is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A “lead” is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A “prospect” is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A “prospect” would have the highest chance of commerciality.

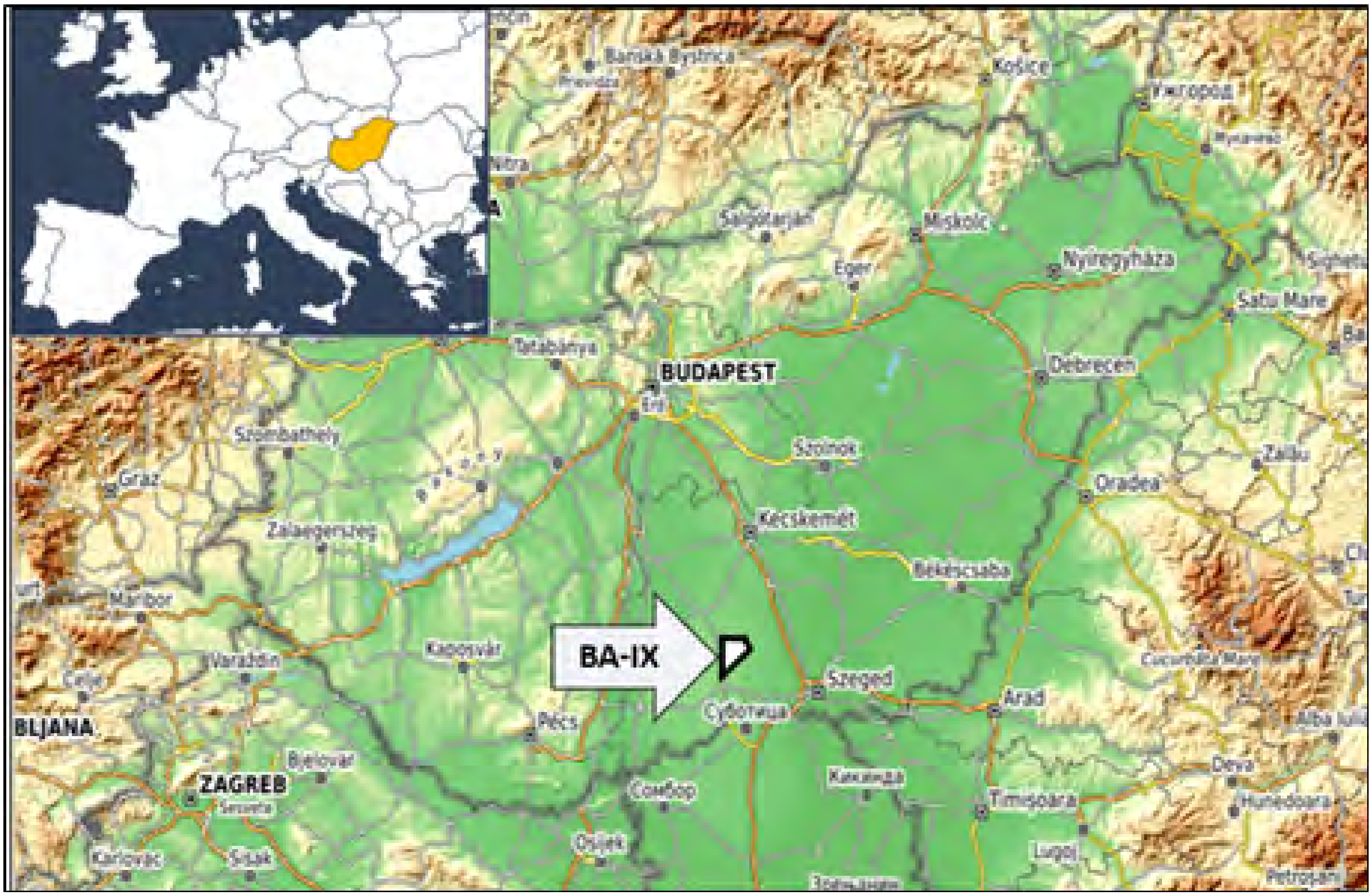
There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 **Project Maturity Sub-Classes**



7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.



CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE

KISKUNHALAS FIELD, HUNGARY

ORIENTATION MAP

JAN. 2024 **JOB No. 7044**

CHAPENG

EXECUTIVE SUMMARY

Summary of Company Contingent Resources
December 31, 2023
(January 1, 2024)

CanCambria Energy Corp.

BA-IX Mining Licence, Hungary
Kiskunhalas Tight-Gas Sand Project

	Contingent Resources (2C)			
	Conventional Natural Gas MMscf		NGL (Condensate) Mbbls	
Description	**Gross**	**Net**	**Gross**	**Net**
BEFORE RISK				
Best Estimate (2C)	1,058,390	1,037,222	99,083	97,101
AFTER RISK				
Chance of Commerciality - 72%				
Best Estimate (2C)	762,041	746,800	71,340	69,913

M$ means thousands of dollars

Gross resources are the total of the Company's working interest share before deduction of royalties owned by others.

Net resources are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

BA-IX MINING LICENCE, HUNGARY

KISKUNHALAS TIGHT-GAS SAND PROJECT

INDEX

BA-IX MINING LICENCE, HUNGARY
KISKUNHALAS TIGHT-GAS SAND PROJECT
DISCUSSION

Property Description

CanCambria Energy, Corp. (the “Company”) holds 100% working interest (WI) in the BA-IX Mining Licence (the “Property”), acquired in 2023. The license area is located in south-central Hungary (Figure 1) and comprises approximately 132 km^2 of flat, agricultural land.

Depth rights range from 1,150m to 6,000m TVD, with a net revenue interest (NRI) of 98% for unconventional production. The license area covers the prospective part of the Kiskunhalas Trough (a.k.a. Kiskunhalas Field), a high-temperature high-pressure (HTHP) Miocene Basin that contains three deep legacy exploration wells. Collectively, these wells and associated data and testing confirm a gas/natural gas liquids discovery. Legacy three-dimensional (3D) seismic data further constrain the size of the gas/natural gas liquids pool, at more than 7,500 acres. All play elements of the petroleum system have been proven. A comprehensive appraisal program wholly funded by CanCambria Energy Corp. is underway to commercialize the field.

The asset is designated as unconventional, due to the tight (low permeability) nature of the Miocene reservoir. In accordance with the COGE Handbook, the tight sand gas and natural gas liquids present in the Property are classified as Contingent Resources with the project maturity sub-class Development Unclarified. As tight sand gas does not match one of the defined product types, the closest product type chosen is conventional natural gas.

Production will be subject to a 2 percent government royalty.

A description of the ownership is presented on Table 1 and a map of the property is presented on Figure 1.

Exploration History

The BA-IX Mining Licence (the “Property’), a contiguous triangular block resides within a proven petroleum basin that includes many shallow oil and gas wells and dry holes (Figure 1). There is significant production from numerous E&P ventures over several decades. Within the Kiskunhalas

Trough, two deep (>4,000m) exploration wells were drilled in the late 1980s, by a consortium including MOL, World Bank and US Geological Survey.

The first well, Kiha-I was drilled in 1986 using 2D seismic data only, it was positioned roughly in the “basin center”. The well recorded over-pressured gas sands from 2,200m to 4,300m consistent with an early Miocene age. The well logged and cored this gas column but did not encounter any significant high-quality reservoir.

A second well, Kiha-DI was drilled one year later and leveraged a (1980s vintage) 3D seismic survey; this well was located up-dip and within a very crude amplitude anomaly taken as a proxy for a gas “bright-spot”. The well again recorded a significant over-pressured Miocene gas column; however, the Kiha-DI logged several high-quality reservoir sandstone intervals. DST rates of up to 0.3 MMcf/d natural flow (per zone) were recovered. The well was not completed as a producer and was subsequently abandoned.

More recently, an appraisal well, Ba-E1 was drilled by E&P company RAG Austria AG in 2008 and completed as a producer in the Miocene, located 500m offset to the Kiha DI. This third well represents the last activity in the field, the Ba-E1 well flowed gas/natural gas liquids (post stimulation) to sales for several months during 2011, before being abandoned due to a combination of low rates and low commodity prices. Well data indicate that reservoir pressure in the target zone exceeds a 0.85psi/ft gradient with a bottom hole temperature in excess of 175^{o}C.

Geology

<u>Overview</u>

The Kiskunhalas trough is a deep, narrow sedimentary basin genetically related to other coeval hydrocarbon bearing basins in the region, including the Mako and Berkes Basins. Collectively, these basins form part of the greater Pannonian system, a large back-arc basin that encompasses Hungary and several adjacent counties.

Rapid burial of the early Miocene section (including source rocks) into the gas-window generated significant volumes of hydrocarbons. The target section in the Kiskunhalas Trough is however at significantly shallower depth present-day, than the offset basins due to Alpine-age basin inversion and uplift. Overpressure is directly related to gas generation and charge (within a closed system), while high heat flow is attributed to crustal thinning within the back-arc basin setting. The thick post-rift section is well developed and provides a good regional top-seal.

Structure (Trap)

The Kiskunhalas Trough is an elongated strongly asymmetrical strike-slip (pull-apart) basin, approximately 7 km wide and 20 km long, trending NE to the SW over from the BA-IX Mining License. The trough is defined by a series of high-angle (poorly resolved) NE/SW trending faults along the northern margin (down-thrown to the south) and a more subtle, sub-parallel fault trends defining the western and southern margins of the trough. Apparent dextral motion promoted a pull-apart (rift-style) basin along the master fault strand. The sedimentary fill appears coeval with the main fault growth (syn-rift) and propagation, with the greatest sediment accumulation is in the south-central portion of basin. A series of erosional unconformities and facies pinch-outs define the eastern basin area. Several intra-basin normal faults are also suggested from legacy 3D seismic data. However, limited insights can be gained from this seismic data, including the deep structure, due to low fold and short offsets; the new proprietary 3D will provide internal characterization of the basin and assist future appraisal. In general, strata dip at low angles towards the southwest. Present day stress data from image logs and sonic scanner data confirm a tensional regime with a N/S principle horizontal stress, with minimal stress anisotropy.

The architecture of the basin and the inter-bedded nature of the source and reservoir units are illustrated in the basin cross-section, Figure 2a. With the onset of basin inversion, the syn-rift Miocene section experienced E-W directed shortening that resulted in large fault reactivation and broad folding that created the main trapping geometries discussed further in the following seismic discussion.

The syn-rift package is capped by a thick post-rift section, including well-developed shale that serves as a regional top seal. The post-rift is also deformed to a lesser extent by localized compaction and subsidence expressed as small offset faults that produced several small structural traps in the overburden.

Stratigraphy (Reservoir)

The regional stratigraphic framework of the region is shown in Figure 2b and is dominated by Neogene Period strata (23–5 million years ago). The tight-gas sandstone target interval is dated using biostratigraphy to the early Miocene Series. The top of the tight-gas reservoir interval (~2,100m TVD) corresponds broadly to the onset of sustained gas shows and overpressure. This interval is informally named the Lower Kiskunhalas Formation and attains a gross thickness of 1,000m. This interval is dominated by syn-rift basin-fill, with well-sorted sandstone, shale and conglomerate facies deposited in a dynamic (faulted) basin margin to deep lacustrine setting. A high degree of lateral facies variability is observed from the available well data.

The syn-rift succession records the rapidly subsiding basin and is characterized by highly discontinuous strata. Provenance is interpreted to be sourced from the adjacent margins of the basin, with numerous point-sources for sediments fed locally by rivers and deltas. A proximal to distal transition into the basin may be expected with fan-deltas, local gravity driven fault scarp (debrites) facies grading into basin floor fans (lobes and channels) and low-density turbidities. A background lacustrine hemipelagic system dominated. Figure 2c integrates the core data with the fault-related sedimentation patterns. It is interpreted that sediment distribution patterns were also related in part to proximity to faults and relay ramps, which controlled the rate of accommodation. Reservoir quality geo-bodies include bars, lobes, sheets, and channel fills that attain a maximum thickness up to 15m. The distal facies, off-axis, are generally thinly bedded to laminated with low porosity

Petroleum System

The greater Pannonian Basin is designated a global “super-basin” and has cumulative hydrocarbon production over 13 billion BOE. Collectively, the legacy data within the Kiskunhalas Trough prove-up all elements of the petroleum system, including a (I) mature source, (II) quality reservoir, (III) combination traps, (IV) timing, and (V) overburden/timing. The tight gas play is designated as a discovery so there is minimal geologic risk. No down-dip free water was encountered and the lowest known gas is defined by the Kiha-I well (discussed in section 4). Gas charge is by capillary displacement of water from local migration of self-sourced interbeds. Source rock analysis and characterization includes TOC and rock-eval-pyrolysis from core and cutting from field wells and confirm a commercial source. Vitrinite reflectance results up to 1.3 Ro constrain the wet-gas window, within the HC “kitchen”.

Seismic Interpretation

There are numerous old 2D seismic lines covering the general area of the BA-IX Mining License area; following the field discovery by the Kiha-I well, the “Kiskunhalas 3D” seismic survey was acquired in 1986. The seismic survey was acquired by CGG using a dynamite source and covers a large area over 150km^2. CanCambria purchased a license to this survey and has interpreted the pre-stack time migration (PSTM); data quality is moderate with poor reflectivity in the deeper portions of the basin. Basic interpretations of the main structural and stratigraphic elements were made using this 12-fold data.

Well ties were undertaken by CanCambria using the sonic, density and VSP data from the legacy wells. The synthetic seismograms demonstrate strong seismic response due to highly variable acoustic impedance in the target zone. The rocks in general are hard and fast, but the velocities do "slow" in a relative sense within the target zone due to over-pressure. Well ties and reflectivity while robust and sufficient to allow basic interpretation the reservoir and trap, but relatively poor reflectivity makes detailed mapping problematic. The Badenian unconformity defines the transition from syn-rift to post-rift. Figure 2d comprises a typical seismic section across the basin in an E-W arbitrary line. A prominent series of reflectors are mapped within the Kiskunhalas Formation target zone, including top gas (aka Zone A) and a very prominent regional trough amplitude (Zone B) that is taken to represent a proxy for the overall trap geometry. The basement is very poorly imaged.

The "top gas" horizon (aka Zone A) and Zone B reflectors are used to define the upper limit of the structural trap that is mapped as shown on Figure 2e. A broad monoclinal dip with local antiformal roll defines the trap. Structural closure may exceed 1,200m, including numerous smaller scale stratigraphic pinch-outs in the NE up-dip direction. The margins of the basin are delineated by high-angle strike slip fault strands while the up-dip margin is defined by a series of large erosional unconformities and facies pinch-out. The prospective area is defined structurally as the area up-dip from the Kiha-I well (this well is considered transitional to "wet"). An approximate 7,500-acre area is designated as prospective and is used as the input for resource evaluation. It should be noted that the stacked pay section may have multiple local and dynamic fluid contacts.

Petrophysics

An independent petrophysical analysis has been prepared on Kiha-DI using HDS software, based on the LAS file derived from the ANK Geosciences previous analysis performed for the Company. Four zones were interpreted: Zone A, B, C, and D.

Only one resistivity curve, Rdeep, was available for the petrophysics along with three porosity curves. A sandstone neutron porosity curve called NPHISS and a bulk density curve named EDIT_RHOB were used as Neutron-Density cross-plot inputs. The EDIT_DTC curve was used as the sonic travel time curve. The original logging curves were not available, so the "EDITed" curves were used in HDS.

The HDS Modified Simandoux equation was used with shale corrections from the IGR curve which was rescaled to API GR units. Downhole Rw values at formation temperature were 0.04, 0.03, 0.1, and 0.09 ohmm for Zones A, B, C, and D. The only Net Pay cutoff used in the HDS interpretation was a water saturation value of 50% throughout.

The HDS log analysis for the four zones is presented in Figures 2f through 2i for Zone A through Zone D, respectively.

Reservoir parameters from our independent analysis have been used for the Contingent Resource volumetric analysis, discussed later.

Production and Test Data

Production data for the Kiskunhalas tight-gas sand play is somewhat limited, below are the results from two key field wells. There is currently no production from any wells in the field.

Kiha-DI

Several drill stem tests (DSTs) were completed in the Kiha-DI in 1989; these temporary tests isolated individual zones within the wellbore to assess natural (unstimulated) reservoir rate flow/deliverability (including pressure drawdown). Six test intervals have been identified by zone below. Results range from hydrocarbon shows to significant flow rates and appear consistent with log analysis results, with Zone C having the best productivity with a combined natural flow rate of 0.55 MMcf/D from two zones containing 10m of net pay. DST intervals corresponded to:

Zone			
A	Test 5/6	2674-2681m	Oil and gas shows
A	Test 5a/6	2674-2681m	HC shows after acidizing
B	Test 4/4	2999-3007m	HC shows plus oil
C	Test 3/4	3148-3152m	0.30 MMcf/D gas +cond. on 2mm choke (thin sand)
C	Test 2/2	3377-3384m	0.50 MMcf/D gas, died 5hours, mechanical blockage
D	Test 1/1	3650-4107m	Gas with mud in 10hours

Ba-E1:

The Ba-E1 well was fracture-stimulated in two phases, initially during 2009 and then later in 2011. The initial completion comprised 2-stages in Zone C (one of which screened out). Both stages were limited entry targeting “clean gamma-ray” with gas shows (from mud log). Petrophysical analysis for these two zones have no areas that meet the net pay criteria. Flow-back gas rates peaked at 1.1 MMcf/d over a short 10-hour period.

The later completion in 2011 re-fractured the two former stages (described above) and added 2 up-hole stages (both Zone B). A total of 3m of net pay was completed. This most recent completion resulted in production to sales from a 3-stage completion; PLT logging confirms contribution from all stages (Zones B and C). Favorable response to hydraulic stimulation demonstrates good geo-mechanical properties. Production data are not reflective of likely commercial rates or volumes anticipated, with a large-scale completion targeting optimal pay.

Combined flowback peaked at 3.1 MMcf/D on a 10/64 choke, with 3,800psi WHP ~400 bbl/d natural gas liquids. API gravity of the natural gas liquids was 47 to 49°. The well was placed on long-term production testing in mid. 2011 (~18 months) and produced a cumulative <0.1 Bcf gas.

Contingent Resources

Gross Contingent Resources (2C) of 1,058,390 MMscf of marketable natural gas and 99 MMBbls of NGLs (Condensate) have been estimated for this discovered accumulation from all four sands, which covers an estimated 7500 acres. These Contingent Resources have been determined based on reservoir parameters from digital log analysis, gas analysis and reported temperature and pressures from the reservoirs.

The PIIP (conventional natural gas) value was determined to be 1,608,497 MMscf. In view of the highly over-pressured reservoirs, in conjunction with the low permeability sands we have made a best estimate of reservoir loss of 30%, which might be considered conservative. This would mean that the average reservoir pressure at abandonment conditions would be about 2200 psi. Additionally, a 6% surface loss is expected due to the CO_2 content. Based on a production report on well Ba-E1, over the period from July 2011 to December 2011, the associated condensate production reported amounted to approximately 88 Bbls/MMscf of raw gas.

A Project Maturity Sub-class of “Development Unclarified” has been assigned.

A summary of the Contingent Resources for each zone is presented in Table 2 and the Resources and Reservoir Parameters are presented for each zone in Tables 2a through 2d. The gas composition and analysis are presented in Table 2e.

Contingencies

The primary contingencies which prevent the classification of the resources at the Property as reserves are:

- the economic status is undetermined
- the evaluation is incomplete and planned 3D seismic is necessary in addition to the data resulting from drilling and production testing.

As the Project is in the early evaluation stage, more specific contingencies have not yet been clearly defined.

Positive Factors

The major positive factor considered in determining estimates for the Contingent Resources is that a petroleum system has been confirmed in the Property, which includes organic rich, thermally mature source rock, stacked, low-permeability reservoir rock, effective top/lateral seals, trapping geometries/relations, favorable migration and preservation, and optimal timing of the above, all of which resulted in a large conventional natural gas/natural gas liquids accumulation.

Negative Factors

The negative factors relevant to the estimates of Contingent Resources attributed to the Property are the discontinuity and heterogeneity of the target reservoir, uncertainty in seismically imaging structures (e.g. faults), and uncertainty in porosity and permeability estimates, and uncertainty in the fracability of the reservoir, all related to production rate uncertainty. Development will be strongly tied to the operator's ability to acquire high-resolution seismic data in order to high-grade and select well locations that maximize reservoir contact and minimize the impact of geohazards such as faults.

Risk Analysis

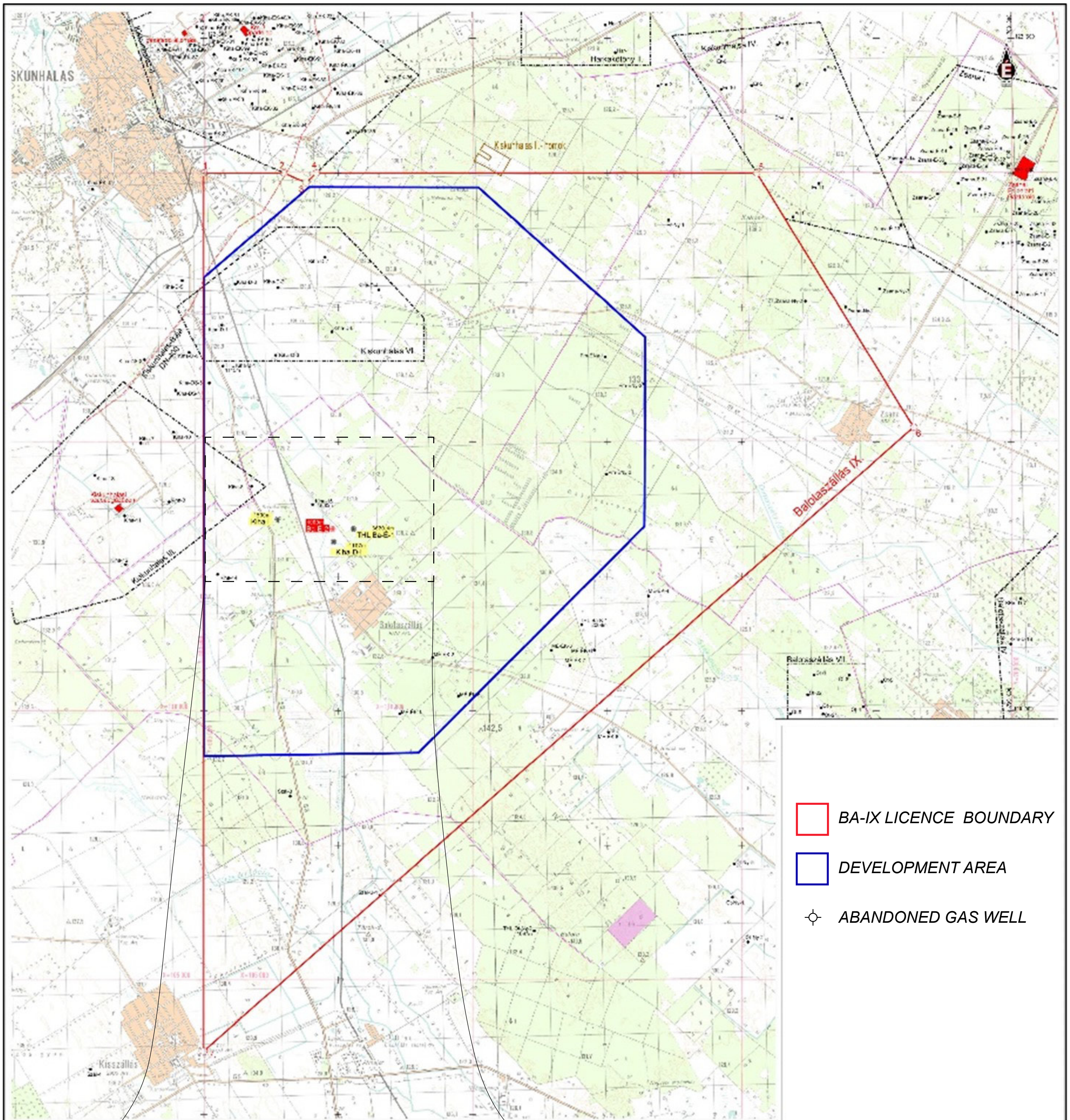
For Contingent Resources, the risk component relating to the likelihood that an accumulation will be commercially developed is based on the "chance of development."

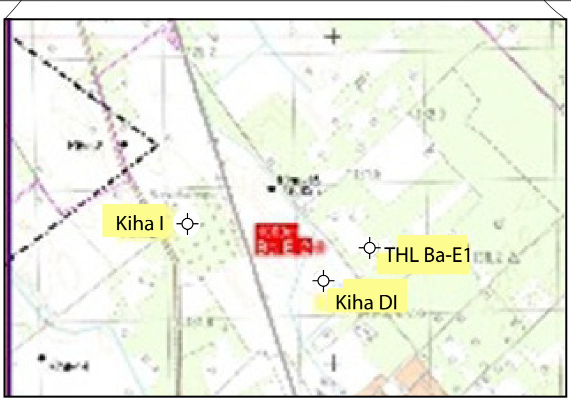
The following six factors were assessed for the Property in determining the chance of development:

- Economic Viability Factor: The most significant factor affecting the chance of development. The economic status of the project is undetermined and dependent on the results of the evaluation stage and most critically the price of gas and oil. The European market has seen rapid prices escalation due to recent political and environmental concerns. While the demand remains high, the volatility of gas and oil prices is a significant risk. Assigned a factor of 0.86.
- Market Access Factor: The Company does not anticipate any risk associated with market access. Assigned a factor of 1.
- Production and Transportation Infrastructure: Oil and gas related services are readily available in the region and infrastructure is favorable; however, as the project is still in the evaluation phase, a small risk is assigned to this factor. Assigned a factor of 0.95.
- Regulatory and Social License: As the government is supportive of exploration and production activities, no licensing issues are anticipated; however, as the project is still in the evaluation phase a small risk is assigned to this factor. Assigned a factor of 0.95.

- Corporate and External Approvals: No approval issues are anticipated; however, as the project is still in the evaluation phase a small risk is assigned to this factor. Assigned a factor of 0.95.
- Reasonable Timetable for Development: No timeline issues are anticipated; however, as the project is still in the evaluation phase a small risk is assigned to this factor. Assigned a factor of 0.98.

We have estimated that overall, there is a probability of Commerciality of these Contingent Resources of 72% as demonstrated above and presented in Table 3.





CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE

KISKUNHALAS FIELD, HUNGARY

LAND AND WELL MAP

JAN. 2024 JOB No. 7044 FIGURE No. 1

Table 1

Schedule of Lands, Interests and Royalty Burdens
December 31, 2023

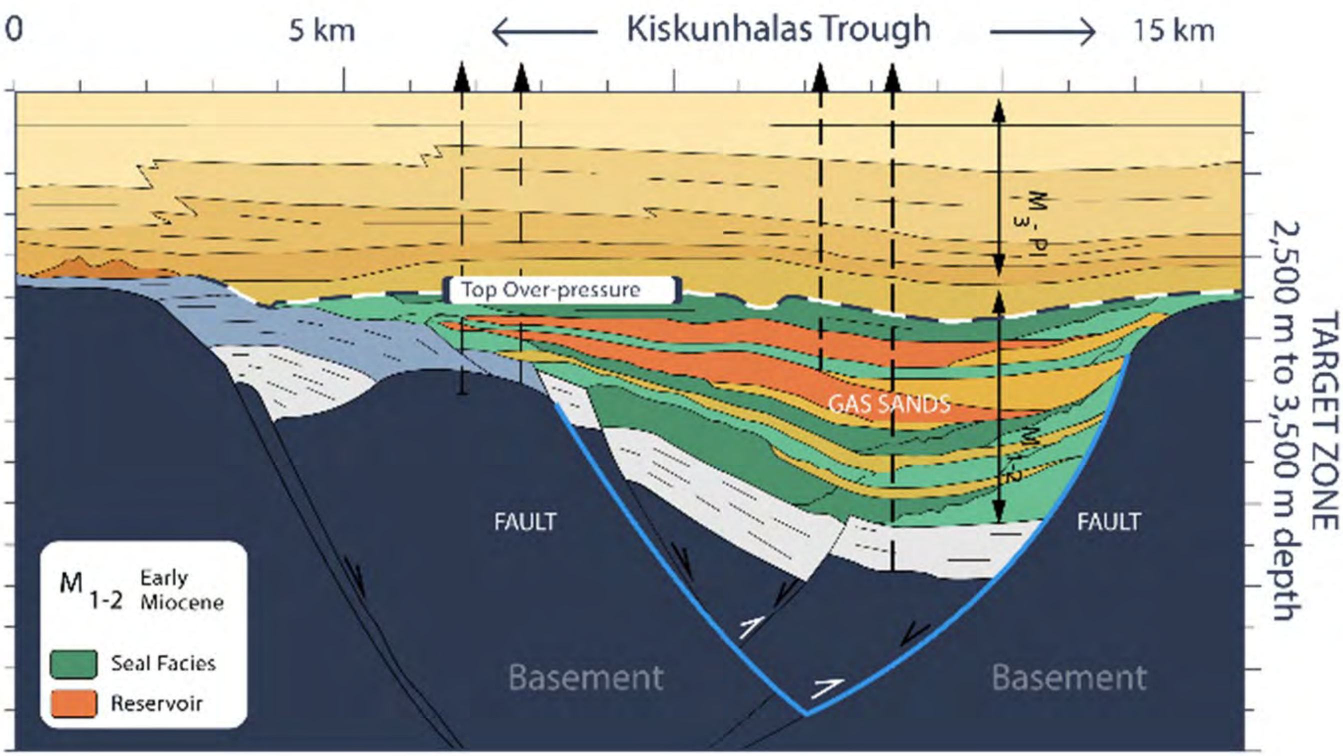
CanCambria Energy Corp.

BA-IX Mining Licence, Hungary
Kiskunhalas Tight-Gas Sand Project

			Appraised Interest		**Royalty Burdens**	
Description	**Rights Owned**	**Gross Acres**	**Working %**	**Royalty %**	**Basic %**	**Overriding %**
South Central Hungary						
BA-IX Mining License	[A]	32,618	100.0000	-	2.0000	-
	Total	**32,618**				

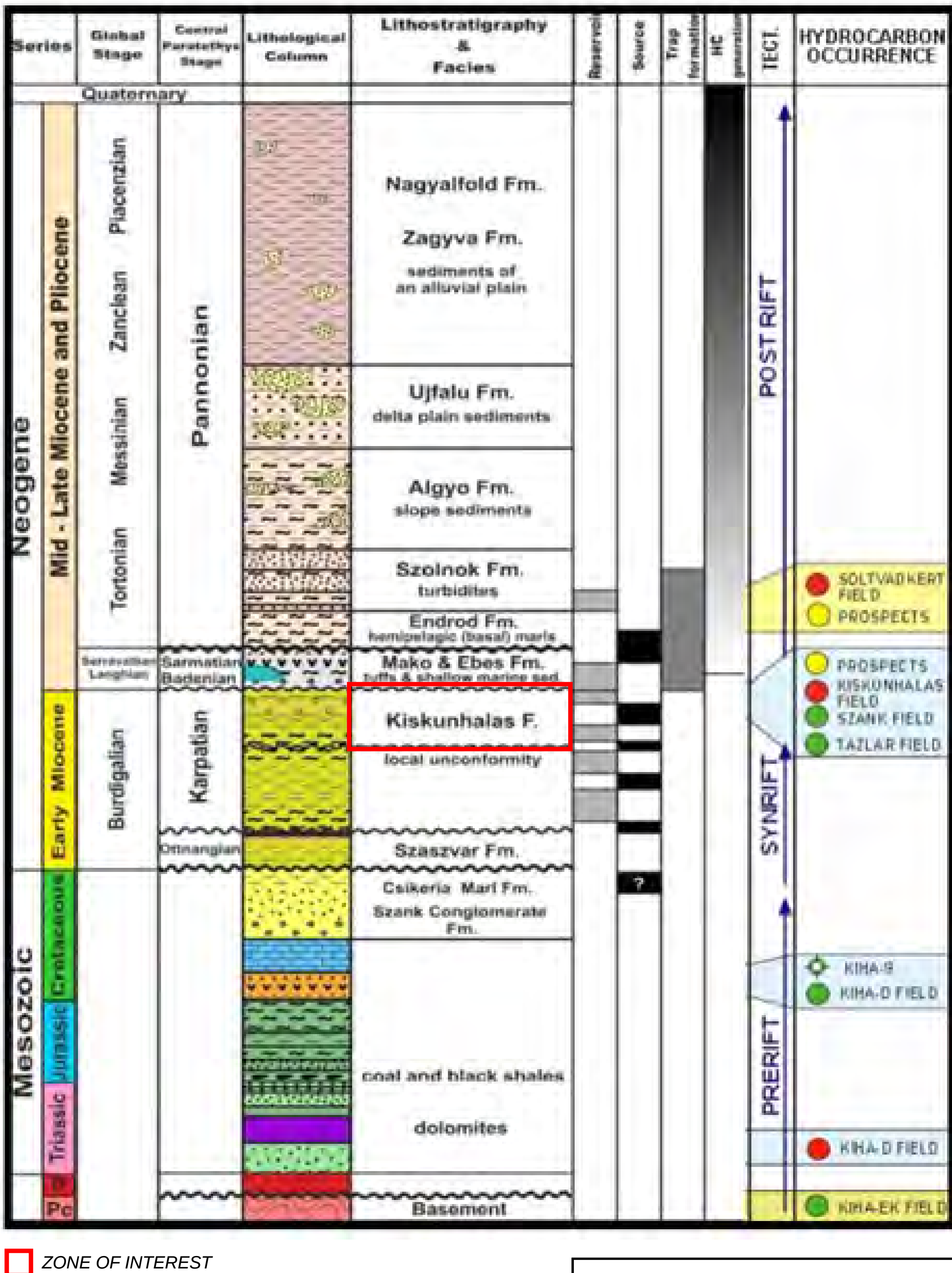
Note: [A] - Depth rights from 1150m to 6000 m TVD.

CHAPENG



CANCAMBRIA ENERGY CORP.
KISKUNHALAS TROUGH HUNGARY BASIN CROSS SECTION
JAN. 2024 JOB No. 7044 FIGURE No. 2a

CHAPENG



CANCAMBRIA ENERGY CORP.

KISKUNHALAS TROUGH

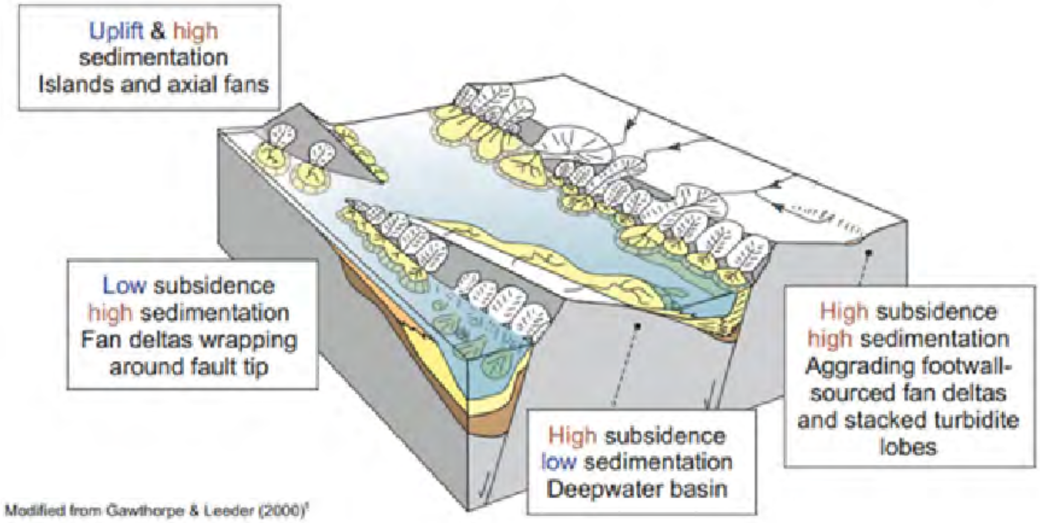
HUNGARY

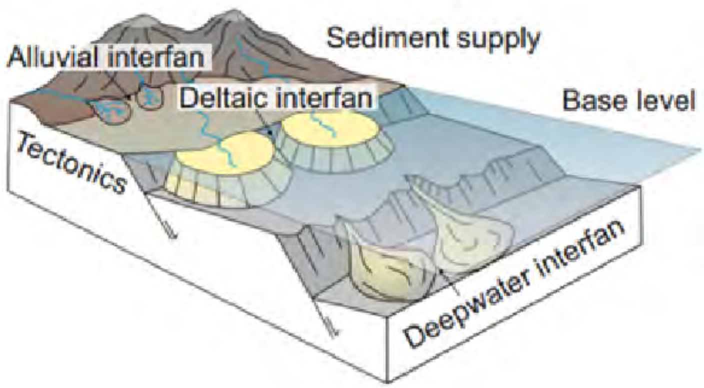
STRATIGRAPHY AND PETROLEUM SYSTEM

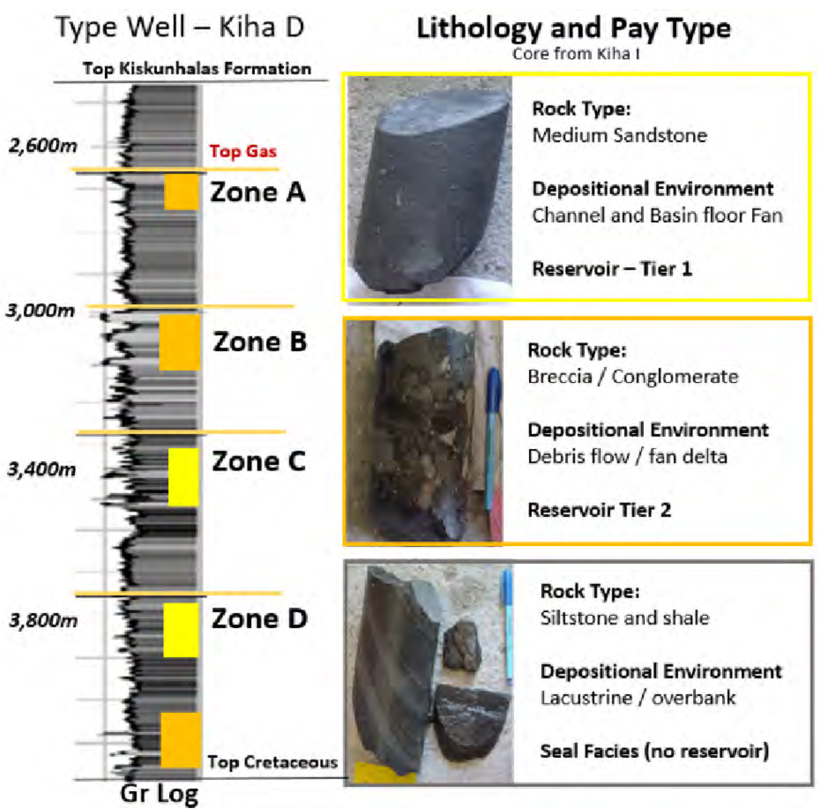
JAN. 2024 **JOB No. 7044** **FIGURE No. 2b**

CHAPENG

Depositional Model and Reservoir Architecture







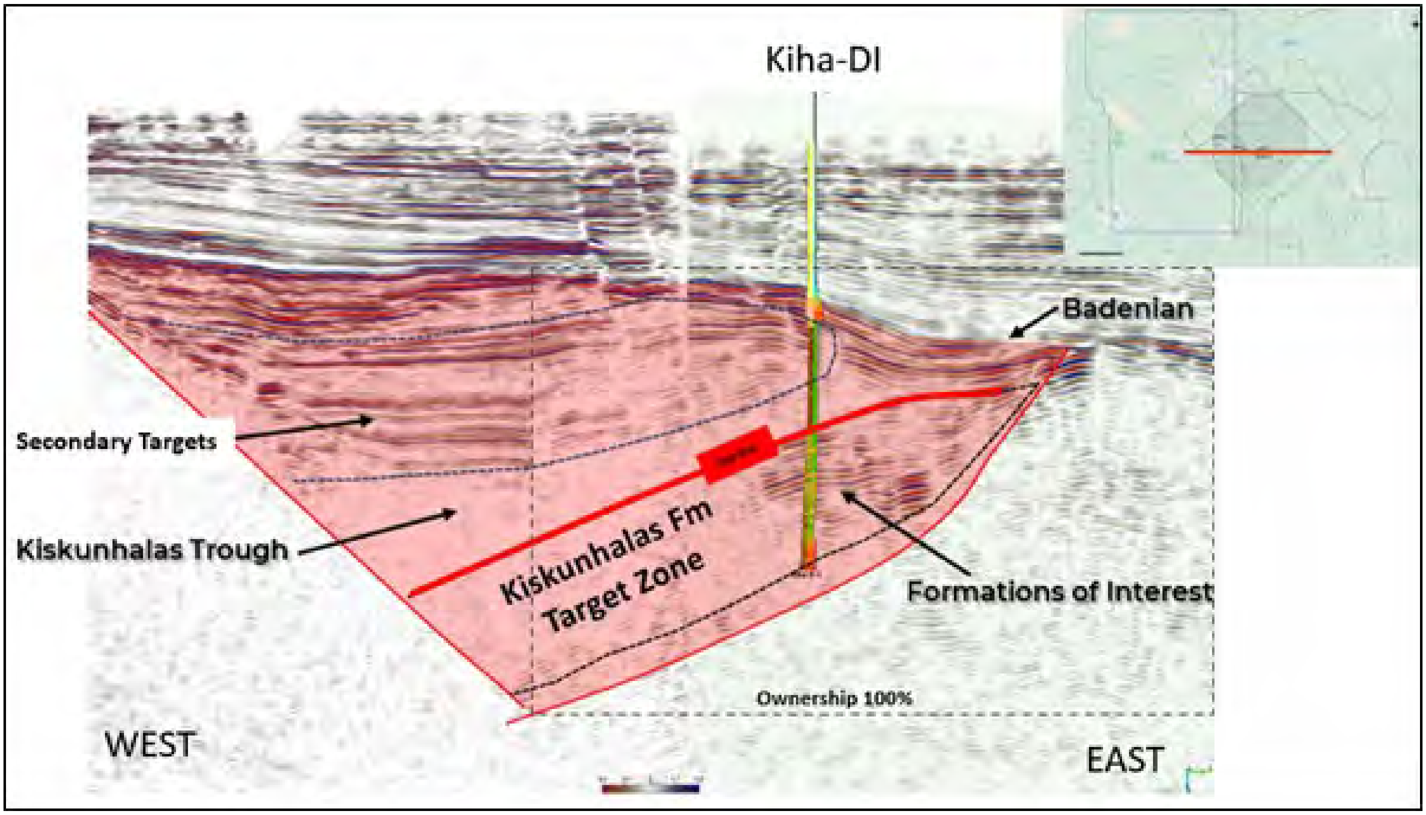
CANCAMBRIA ENERGY CORP.

KISKUNHALAS FIELD

HUNGARY

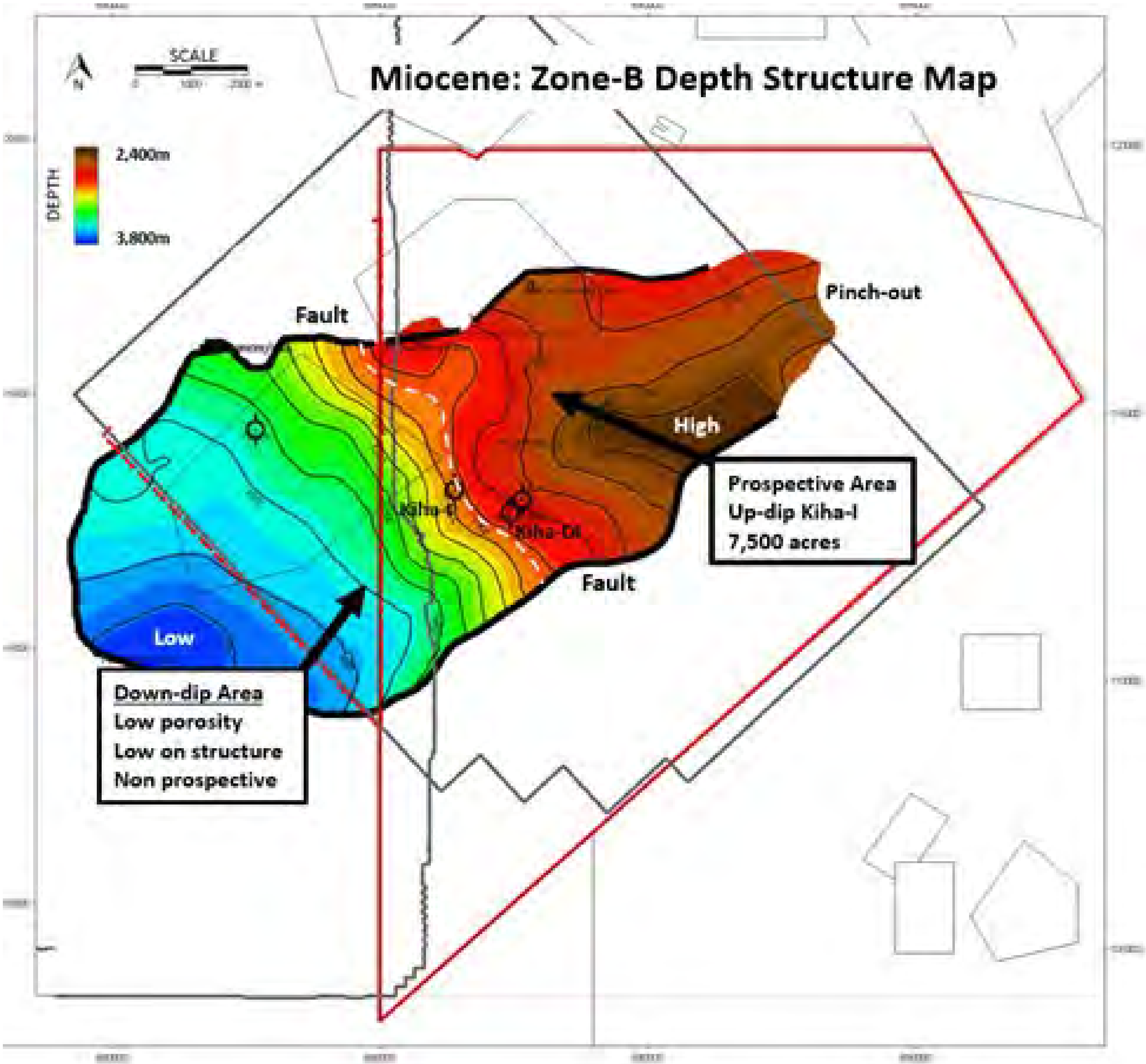
TYPE LOG AND FACIES MODEL

JAN. 2024 | JOB No. 7044 | FIGURE No. 2c



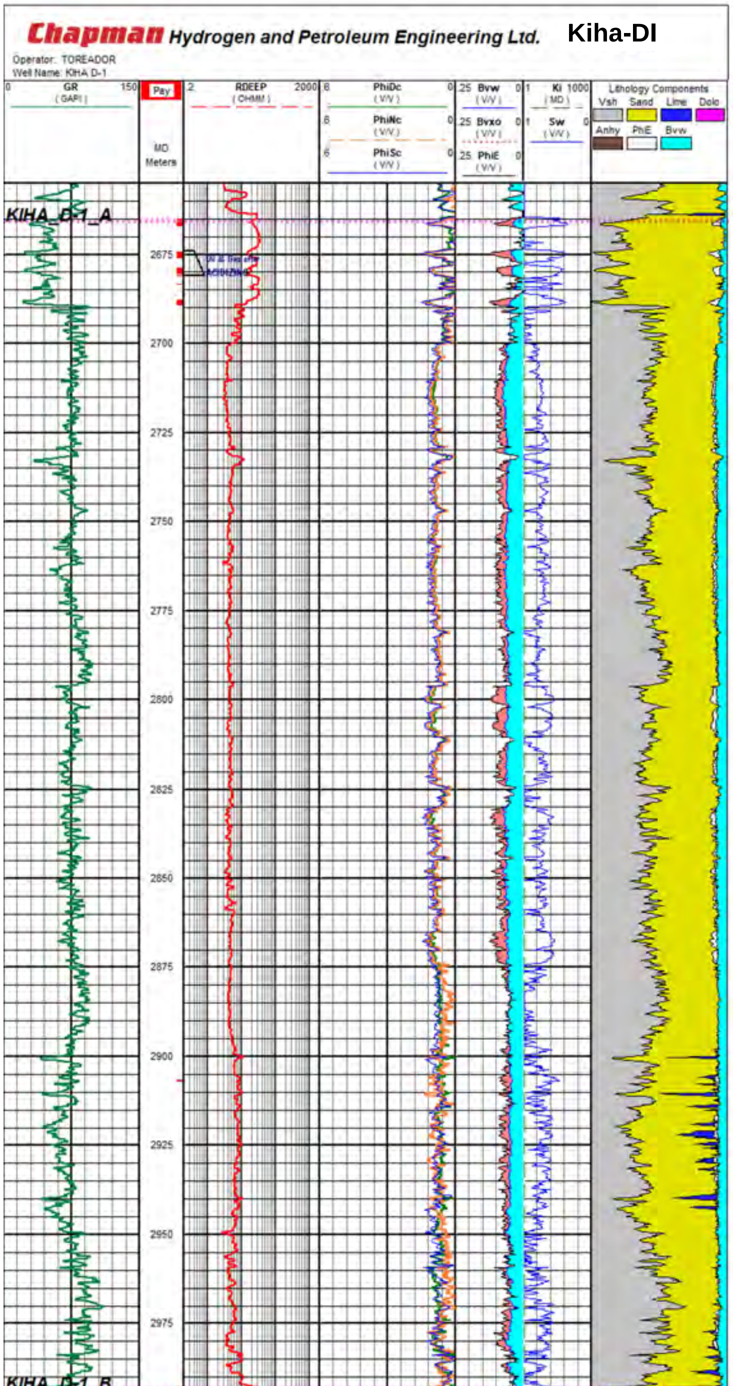
CANCAMBRIA ENERGY CORP.
KISKUNHALAS FIELD HUNGARY SEISMIC SECTION E-W
JAN. 2024 JOB No. 7044 FIGURE No. 2d

CHAPENG



CANCAMBRIA ENERGY CORP.
KISKUNHALAS FIELD **HUNGARY** **STRUCTURAL MAP** **Zone B**
JAN. 2024 **JOB No. 7044** **FIGURE No. 2e**

CHAPENG



[Pay Summaries]

- Net

Formation	Range	Net	Vsh	PhiE	Sw	Ki
KIHA_D-1_A	2665.000 - 2992.800	7.4000	0.124	0.095	0.435	0.38

CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE

KISKUNHALAS FIELD, HUNGARY

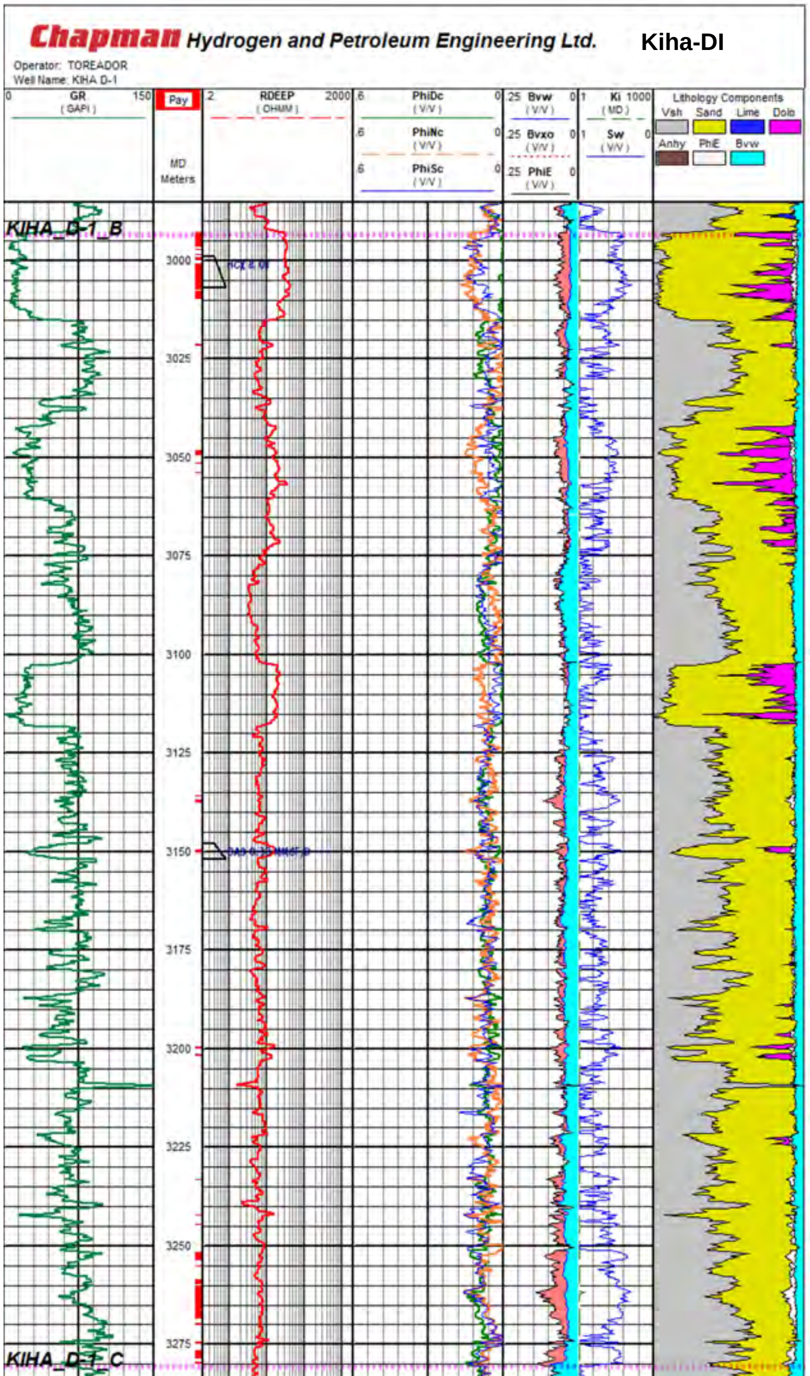
WELL KIHA-DI LOG ANALYSIS

Kiskunhalas Formation

Zone A

APR. 2024 **JOB No. 7044** **FIGURE No. 2f**

CHAPENG



[Pay Summaries]

- Net

Formation	Range	Net	Vsh	PhiE	Sw	Ki
KIHA D-1 B	2993.000 - 3279.800	33.8000	0.296	0.083	0.434	0.25

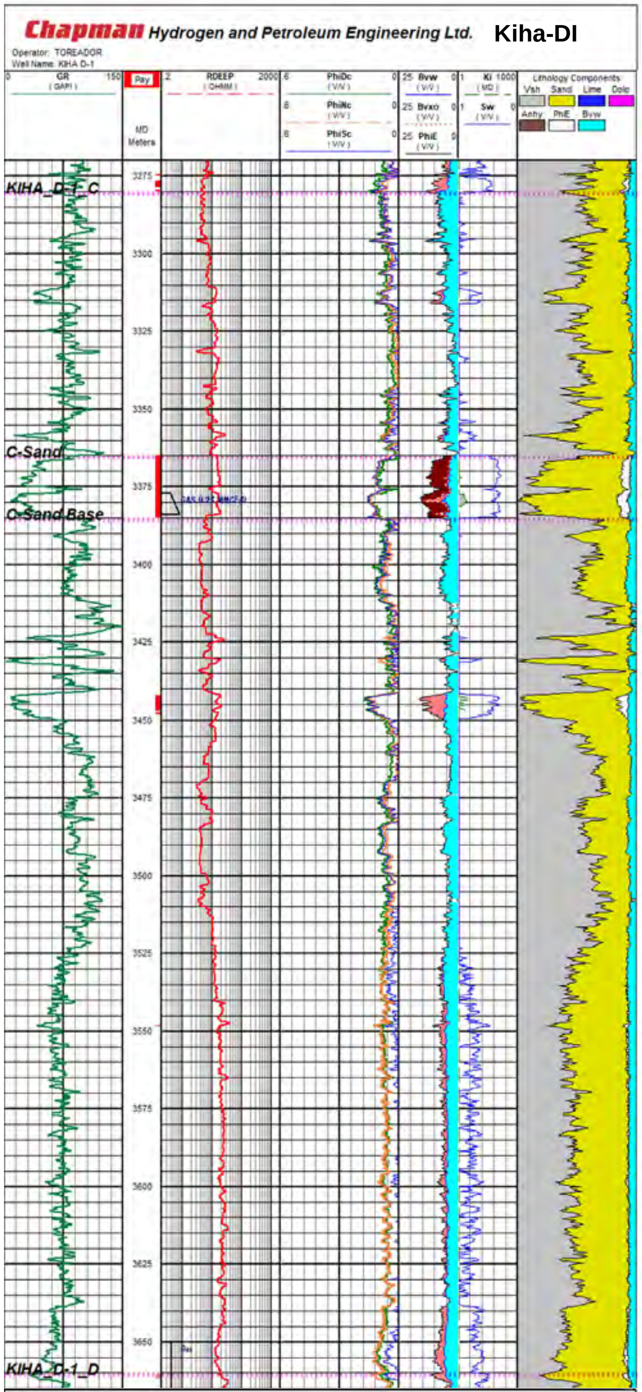
CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE

KISKUNHALAS FIELD, HUNGARY

WELL KIHA-DI LOG ANALYSIS
Kiskunhalas Formation
Zone B

APR. 2024 **JOB No. 7044** **FIGURE No. 2g**



[Pay Summaries]

- Net

Formation	Range	Net	Vsh	PhiE	Sw	Ki
KIHA_D-1_C	3280.000 - 3364.800	0.0000	0.000	0.000	0.000	0.00
C-Sand	3365.000 - 3384.800	20.0000	0.223	0.117	0.351	0.96
C-Sand Base	3385.000 - 3659.800	5.8000	0.092	0.134	0.399	1.59

CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE

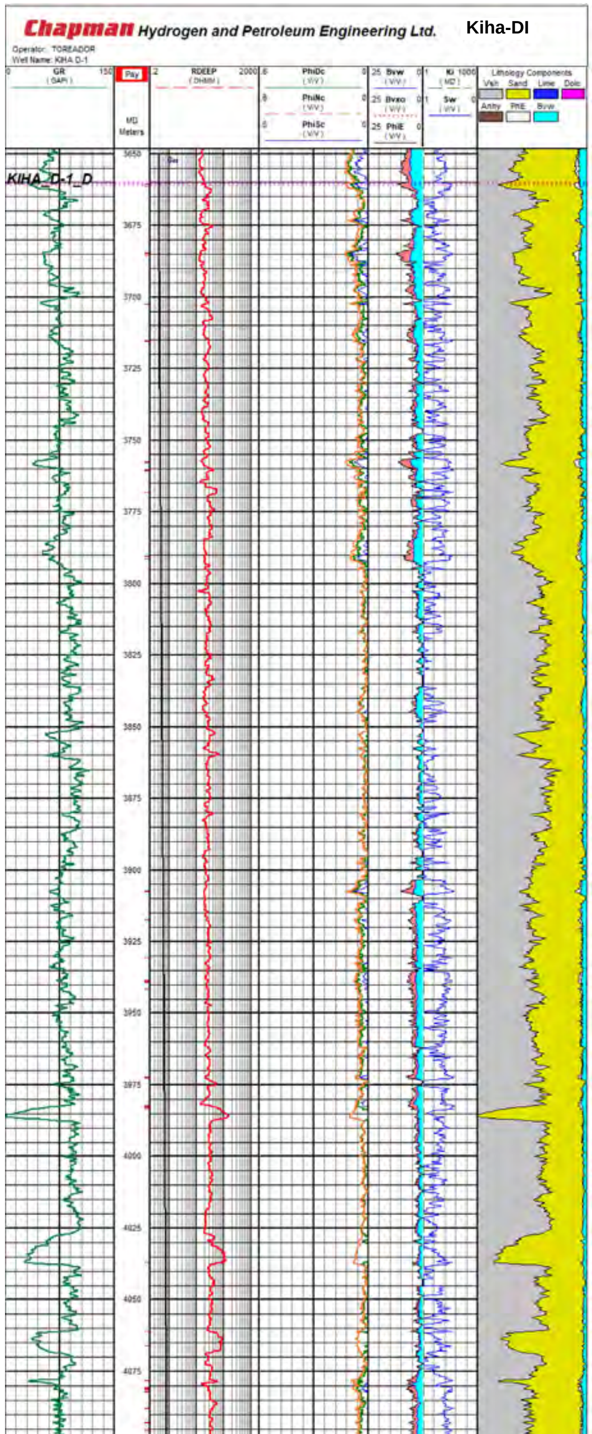
KISKUNHALAS FIELD, HUNGARY

WELL KIHA-DI LOG ANALYSIS

Kiskunhalas Formation

Zone C

APR. 2024 **JOB No. 7044** **FIGURE No. 2h**



[Pay Summaries]
- Net

Formation	Range	Net	Vsh	PhiE	Sw	Ki
KIHA_D-1_D	3660.000 - 4100.000	12.0000	0.417	0.072	0.472	0.17

CANCAMBRIA ENERGY CORP.

BA-IX MINING LICENCE
KISKUNHALAS FIELD, HUNGARY
WELL KIHA-DI LOG ANALYSIS
Kiskunhalas Formation
Zone D

APR. 2024 **JOB No. 7044** **FIGURE No. 2i**

Table 2

Summary of Gross Resources
December 31, 2023

BA-IX Mining Licence, Hungary
Kiskunhalas Tight-Gas Sand Project

	PIIP	Contingent Resources			
Description	**Raw Gas [1] (MMscf)**	**Raw Gas (MMscf)**	**Sales Gas (MMscf)**	**NGL (Condensate) (MBbls)**	**Reference**
Conventional Natural Gas					
Best Estimate (2C)					
Kiha-DI, A Zone	137,713	96,399	90,615	8,483	Table 2a
Kiha-DI, B Zone	557,532	390,272	366,856	34,344	Table 2b
Kiha-DI, C Zone	735,636	514,945	484,048	45,315	Table 2c
Kiha-DI, Dzone	177,616	124,331	116,871	10,941	Table 2d
Total Best Estimate (C2)	**1,608,497**	**1,125,947**	**1,058,390**	**99,083**	

Note: [1] - Conventional Natural Gas

Table 2a

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
December 31, 2023

Contingent Resources (2C)
Kiha-DI, A zone

RESERVOIR PARAMETERS

Reservoir Pressure, psia	7,458
Reservoir Temperature, deg F	347
Average Porosity, %	9.5%
Average Water Saturation, %	43.5%
Compressibility Factor, Z	1.015
Petroleum Initially in Place, Mscf/ac. ft.	756
Reservoir Loss, %	30%
Surface Loss, %	6%

RESOURCE VOLUMES

Net Pay, feet	24
Area, acres	7500
Petroleum Initially in Place, MMscf	137,713
Resources Initially in Place, MMscf	96,399
Marketable Resources, MMscf	90,615
Liquid Recovery, Bbbls/MMScf	88.0
Condensate, MMBbls	8,483

Note: Interval 2665 to 2690 m K.B.

Table 2b

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
December 31, 2023

Contingent Resources (2C)
Kiha-DI, B zone

RESERVOIR PARAMETERS

Reservoir Pressure, psia	8,364
Reservoir Temperature, deg F	390
Average Porosity, %	8.3%
Average Water Saturation, %	43.4%
Compressibility Factor, Z	1.048
Petroleum Initially in Place, Mscf/ac. ft.	682
Reservoir Loss, %	30%
Surface Loss, %	6%

RESOURCE VOLUMES

Net Pay, feet	109
Area, acres	7500
Petroleum Initially in Place, MMscf	557,532
Resources Initially in Place, MMscf	390,272
Marketable Resources, MMscf	366,856
Liquid Recovery, Bbbls/MMScf	88.0
Condensate, MMBbls	34,344

Note:	Interval	2994	to	3008	m K.B.
	and	3252	to	3278	m K.B.

Table 2c

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
December 31, 2023

Contingent Resources (2C)
Kiha-DI, C zone

RESERVOIR PARAMETERS

Reservoir Pressure, psia	9,409
Reservoir Temperature, deg F	439
Average Porosity, %	12.0%
Average Water Saturation, %	36.0%
Compressibility Factor, Z	1.077
Petroleum Initially in Place, Mscf/ac. ft.	1,154
Reservoir Loss, %	30%
Surface Loss, %	6%

RESOURCE VOLUMES

Net Pay, feet	85
Area, acres	7500
Petroleum Initially in Place, MMscf	735,636
Resources Initially in Place, MMscf	514,945
Marketable Resources, MMscf	484,049
Liquid Recovery, Bbbls/MMScf	88.0
Condensate, MMBbls	45,315

Note:	Interval	3365	to	3384	m K.B.
	and	3443	to	3450	m K.B.

Table 2d

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
December 31, 2023

Contingent Resources (2C)
Kiha-DI, D zone

RESERVOIR PARAMETERS

Reservoir Pressure, psia	10,201
Reservoir Temperature, deg F	476
Average Porosity, %	7.2%
Average Water Saturation, %	47.2%
Compressibility Factor, Z	1.082
Petroleum Initially in Place, Mscf/ac. ft.	592
Reservoir Loss, %	30%
Surface Loss, %	6%

RESOURCE VOLUMES

Net Pay, feet	40
Area, acres	7500
Petroleum Initially in Place, MMscf	177,616
Resources Initially in Place, MMscf	124,331
Marketable Resources, MMscf	116,871
Liquid Recovery, Bbbls/MMScf	88.0
Condensate, MMBbls	10,941

Note: Interval 3660 to 4075 m K.B.

Table 2e

RESERVOIR FLUID DATA

Kiskunhalas Tight-Gas Sand Project, Hungary
Formation

GAS COMPOSITION

	Raw Gas	Acid Free Gas	Residue Gas
Mol fraction of H2	0.0000	0.0000	0.0000
Mol fraction of He	0.0000	0.0000	0.0000
Mol fraction of N2	0.0026	0.0027	0.0027
Mol fraction of CO2	0.0597	0.0000	0.0000
Mol fraction of H2S	0.0000	0.0000	0.0000
Mol fraction of C1	0.8231	0.8753	0.8753
Mol fraction of C2	0.0706	0.0750	0.0750
Mol fraction of C3	0.0287	0.0305	0.0305
Mol fraction of IC4	0.0034	0.0036	0.0036
Mol fraction of NC4	0.0069	0.0073	0.0073
Mol fraction of IC5	0.0014	0.0015	0.0015
Mol fraction of NC5	0.0016	0.0016	0.0016
Mol fraction of C6	0.0009	0.0010	0.0010
Mol fraction of C7+	0.0013	0.0014	0.0014
Total	Error of 0.0000	1.0000	1.0000
Shrinkage, fraction	—	0.0597	0.0597
Fuel Gas, fraction			0.0200
Surface Loss, fraction			0.0797

CRITICAL PROPERTIES

	Raw Gas	Acid Free Gas	Residue Gas
Critical Pressure, Psia	689.6	665.4	668.5
Critical Temperature, deg R	385.8	375.5	364.7
Relative Density	0.701	0.649	0.611
Gross Heating Value, btu/scf	1085.3	1154.2	1094.7

LIQUID CONTENT, bbl/MMscf

	Raw Gas	Acid Free Gas	Residue Gas
Propane	18.8	20.0	10.3
Butanes	7.8	8.3	1.7
Condensate	4.9	5.2	0.0
Total	76.2	81.1	61.1

Table 3

DEVELOPMENT RISK ANALYSIS

CanCambria Energy Corp
BA-IX Mining Licence, Hungary
Kiskunhalas Tight-Gas Sand Project

Development Risk Factors	
Economic Viability	86%
Market Access	100%
Production & Transportation Infrastructure	95%
Regulatory & Social Licence	95%
Corporate & External Approvals	95%
Reasonable Timetable for Development	98%
Chance of Development	72%

APPENDIX A

PROPOSED WORK PROGRAM

INDEX

Discussion

Recommended Work Program

The commercialization of the Kiskunhalas tight-gas project will be largely based upon results from any new well drilling ventures. A detailed work program is recommended below in order to transition the contingent resource to a reserve classification. Legacy seismic data were of insufficient quality to characterize the nature of the basin in ordered to locate and design new drilling locations with an acceptable risk profile. A new 3D seismic shoot was designed, planned and approved by the Company. Table 1 details the works program.

Work Scope	Date	Duration	Cost
New 2023 Seismic Acquisition	Completed	n/a	n/a
Phase 1 Seismic Processing	Completed	n/a	n/a
Seismic Interpretation	Q3, 2024	4 months	CA $0.4 MM
Phase 2 Processing and Modeling	Q1, 2025	3 Months	CA $0.3 MM
Engineer Design & Well Planning	Q2, 2025	5 Months	CA $0.5 MM
		Grand Total	**CA $1.2 MM**

Table 1. Recommended works program, sequence flow, with timing and cost

Seismic Acquisition (completed)

The Balotaszallas 3D seismic survey was permitted and planned in mid. 2023 and acquired throughout much of December 2023, for a cost of CA $2.55 million. The seismic field data was prepared, recorded and shipped to CanCambria in Q1, 2024 along with a report from AGS (contractor). All invoices related to the field acquisition have been paid. The seismic survey is full azimuth, high density, with a maximum offset of 4,900m and 177-fold at the reservoir level. The survey was designed to provide an unparalleled image of the deep basin, leveraging two teams of 3 vibroseis trucks (60,000lbs). After field testing, a single sweep of 22 seconds, from 2-110 hertz was found to be optimal. Several advanced processing tools and workflows will provide time and depth volumes, along with a determinist inversion.

Phase 1. Seismic Processing and Modeling (completed)

Processing of the Balotaszallas 3D seismic dataset was estimated at an approximate timing of 6 months, and a cost of approx. CA $ 0.45 million. Processing was undertaken by GeoTomo, based in Houston, Texas with delivery of final PSTM and PSDM in May 2024 and August 2024 respectively.

Key deliverables to include:

- Fastrack PSTM volume
- Final PrSTM (time) volume
- Final PrSDM (depth) volume

3D Seismic Volume Interpretation and Integration

Leveraging the newly acquired seismic, CanCambria should engage with a range of highly experienced geophysical experts for full and comprehensive interpretation of all 3D volumes delivered by GeoTomo. Estimated duration for the recommended work plan is approximately 4 months at a cost of CA $0.4 million. This part of the work program should include a range of technical exhibits based upon the interpretation of the new 3D, including but not limited to well ties, structural maps, attribute maps, and isochrons. This scope of work provides all technical and regulatory materials for the pre-drilling selection process and planning of the initial field appraisal well. Costs also include a specialist software license and computing needs for the project. Work products should include:

- Data QA/QC and synthetic tie for the key wells (phase and wavelet analysis).
- Volume interpretation to include all key horizons and fault picks.
- Time/Depth structure maps for all key formations (Zones A, B, C, D, Badenian and basement).
- Isopach (thickness) maps including Zones B and C (primary targets).
- Seismic attribute volumes (including coherence, dip, semblance).
- Seismic amplitude analysis.
- Structural model, fault polygons, and kinematic reconstruction.
- Integrate legacy well results and update geologic model.
-

Phase 2. Advanced Seismic Processing and Modeling

Using the results of the PrSTM and PrSDM seismic volumes (Phase 1) already delivered, a second phase of seismic processing and modelling has been recommended with a duration of 3 months, and a cost of approx. CA $ 0.3 million. Processing should be undertaken by HSB and AnkGeo, both based in Houston, Texas

Key deliverables to include:

- Petrophysical modeling and well conditioning for AVO and fluid substitution
- Deterministic seismic inversion volume – model driven from logs
- Reflection based seismic inversion volume
- Pore Pressure volume

Engineering Design and Well Planning

Preparation of all material supporting future drilling activity; starting Q2, 2025 with a duration of 5 months and costing CA $0.5 million. Consult/contract with SMEs experienced with drilling in the region and completions in central Europe. Lease with local regulatory experts. Wellbore stability, pore pressure, and mud system should be integrated for well design and casing program considerations. Application of the new 3D seismic volumes should also inform geohazard detection, in addition to ranking drilling locations. No tangible or intangible well-related costs are included in the phase. It is recommended the company engage with service companies and vendors directly to prepare best practices for key consideration including:

- Petrophysical analysis/integration of all additional offset legacy wells
- Geologic prognosis (to include XYZ location) – formation tops and TD
- Mud system and pore pressure
- Casing design / program
- Well-head design
- Formation evaluation
- Completion design
- Surveillance and monitoring
- Flow back protocol and water disposal
- Gas sales and pipeline
- Abandonment
- HSE and emergency plan

Drilling, completion and production of new well

Contingent upon the above work program, a new well may be permitted and drilled no sooner than Q4, 2025 – costs TBD. Many long lead items will need to be sourced. HSE and regulations to be compliant.

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	-	Estimated Ultimate Recovery

CANCAMBRIA
FUELING TODAY ✦ PRESERVING TOMORROW

20th August, 2024

Chapman Hydrogen and Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB
T2R 1M1

Dear Sir:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas resources and independent appraisal of the economic value of these resources for the effective date December 31, 2023, we herein confirm to the best of our knowledge and belief as of the effective date of the resources evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, CanCambria Energy Corp., (the Client) have made available to you, Chapman Hydrogen and Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, the available dataset in our possession as of the effective date of the resources evaluation, including the following:

- Asset ownership, related encumbrance information and all PSA terms, if applicable;
- Details concerning anticipated product marketing, transportation and processing arrangements;
- All available technical information including geological, engineering and production and test data, if available, and representative analog information.

2. We confirm that all financial and accounting information, if any, provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided, or otherwise the terms of proposed acquisition or earning on the property have been provided.

4. With respect to all information provided to you regarding expected product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated arrangements that could reasonably be expected to have a material effect on the evaluation of the resources being evaluated.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:

- To the best of our knowledge, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect which would prevent the development of these properties.
- Except as disclosed to you, we have no plans or intentions related to the ownership, anticipated development or operation of the evaluated properties that could reasonably be expected to materially affect the expected production levels or recovery of resources from the evaluated properties.
- If material changes of an adverse nature occur in the Company's anticipated operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of resources information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our resources and economic value of these resources that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Vice-President & Chief Financial Officer

CanCambria Energy Corp.
1120 - 625 Howe St.
Vancouver, BC, CANADA V6C 2T6