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These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except in compliance with, or pursuant to an available exemption from, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. "United States" and "U.S. person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

December 4, 2023



CanAsia Energy Corp.

PART 1 SUMMARY OF OFFERING

What are we offering?

| | |
|-------------------------|---|
| Offering: | <p>Up to 24,000,000 common shares ("LIFE Shares") of CanAsia Energy Corp. ("CanAsia" or the "Corporation") are being offered to purchasers in Canada (other than in Québec) pursuant to this offering document under the listed issuer financing exemption. The first trade of LIFE Shares will not be subject to any hold period or other resale restrictions (subject to limited exceptions).</p> <p>The holders of CanAsia common shares are entitled to one vote per share held at meetings of shareholders, to receive dividends if, as and when declared by the board of directors of the Corporation and to receive pro rata the remaining property and assets of the Corporation upon its dissolution or winding up, subject to the rights of shares having priority over the CanAsia common shares (of which there are none).</p> |
| Offering Price: | CAD \$0.10 per LIFE Share. |
| Offering Amount: | A maximum offering of 24,000,000 LIFE Shares for gross proceeds of \$2,400,000. There is no minimum offering amount. |
| Closing Date: | <p>On or about December 20, 2023, or such other date or dates as CanAsia and the Agent may agree (the "Closing Date"). The Closing Date will not be later than the last to occur of (a) 30 days after TSX Venture Exchange ("TSXV") conditional acceptance of the terms of the offering or (b) February 2, 2024 (60 days after the December 4, 2023 CanAsia news release announcing the offering).</p> <p>Subscriptions by prospective purchasers will be subject to acceptance or rejection by CanAsia in whole or in part.</p> |
| Exchange: | The outstanding CanAsia common shares are listed and posted for trading on the TSXV under the trading symbol "CEC". The Corporation will apply to list LIFE Shares distributed under this offering document on the TSXV. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSXV. |

| | |
|----------------------------|--|
| Last Closing Price: | On December 1, 2023, the last trading day before the announcement of the offering, the closing price of the Corporation's common shares on the TSXV was \$0.105. |
| Agent: | Research Capital Corporation is the sole agent and sole bookrunner for the offering, on a "best-efforts" basis. |

CanAsia is conducting a listed issuer financing under section 5A.2 of Canadian Securities Administrators National Instrument 45-106 – *Prospectus Exemptions*. In connection with this offering, CanAsia represents the following is true:

- **CanAsia has active operations and its principal asset is not cash, cash equivalents or its TSXV listing.**
- **CanAsia has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document (of which there have been none), will not exceed \$5,000,000 (and, due to the next following representation, cannot exceed \$2,489,695).**
- **This offering, combined with all other distributions made by CanAsia under the listed issuer financing exemption during the 12 months immediately before the date of the issuance of the news release announcing this offering (of which there have been none), will not result in an increase of more than 50% in CanAsia's outstanding common shares, as of the date that is 12 months before the date of the news release. (CanAsia had 49,793,907 outstanding common shares as of the date that is 12 months before the date of the news release, resulting in a limit of 24,896,953 common shares.)**
- **CanAsia will not close this offering unless CanAsia reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **CanAsia will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which CanAsia seeks security holder approval.**

All dollar amounts set forth in this offering document are expressed in Canadian dollars, except where otherwise indicated. References to "Canadian dollars", "CAD \$" or "\$" are to the currency of Canada and references to "U.S. dollars" or "USD \$" are to the currency of the United States. On December 1, 2023, the Bank of Canada posted exchange rate for CAD \$1.00 was USD \$0.7404 and for USD \$1.00 was CAD \$1.3507.

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What is our business?

CanAsia is a Canadian publicly listed junior oil and gas company. It was incorporated by Pan Orient Energy Corp. ("**Pan Orient**") pursuant to the *Business Corporations Act* (Alberta) on May 27, 2022. On August 25, 2022, Pan Orient completed an arrangement (the "**Arrangement**") that resulted in a third party acquiring Pan Orient (including its Thailand operations), and the Canadian assets and the discontinued Indonesia operations of Pan Orient being acquired by CanAsia. The CanAsia common shares began trading on the TSXV on August 29, 2022, under the stock trading symbol CEC. The records office and principal address of CanAsia is located at 1505, 505 – 3rd Street S.W., Calgary, Alberta, T2P 3E6.

Under the Arrangement completed on August 25, 2022: (a) Dialog Group Berhad of Malaysia acquired all of the issued and outstanding Pan Orient shares and Pan Orient's Thailand business; (b) Pan Orient shareholders received, for each Pan Orient share held, a cash payment of USD \$0.788 and one CanAsia share; and (c) CanAsia became a public company with shares listed on the TSXV. Pan Orient transferred to CanAsia all of Pan Orient's non-Thailand assets, including Pan Orient's 71.8% ownership of Andora Energy Corporation ("**Andora**"), which has interests in oil sands properties in Sawn Lake, Alberta; convertible loans receivable from Andora; 100% ownership in Pan Orient Energy Holdings Ltd. with legacy subsidiaries which had held interests in Indonesia; and working capital and non-current deposits. CanAsia assumed all liabilities related to Pan Orient's non-Thailand business, consisting primarily of accounts payable and accrued liabilities included in working capital and the decommissioning provision.

In November 2022, CanAsia increased its ownership of Andora to 88.2% as a result of converting a loan receivable from Andora into additional shares. On February 28, 2023, the board of directors of Andora accepted a formal proposal made by CanAsia with respect to a transaction (the "**Andora Transaction**") whereby the outstanding shares of Andora were consolidated; and all fractional shares resulting from the consolidation were redeemed by Andora and cancelled, and the holders thereof were entitled to receive a cash redemption payment of \$0.044 for each pre-consolidation share of Andora. As part of the Andora Transaction all issued and outstanding options to acquire shares of Andora were surrendered for their "in-the-money" value. The Andora Transaction was approved by shareholders of Andora at a special meeting held on March 27, 2023. All other conditions to the Andora Transaction becoming effective were also satisfied or waived, and the Andora Transaction was completed on March 27, 2023. As a result of the Andora Transaction, Andora now has 1 common share outstanding. CanAsia, which previously owned 88.2% of the outstanding shares of Andora as at December 31, 2022, now owns 100% of Andora.

Andora's principal asset is the Sawn Lake heavy oil property in Northern Alberta which has no production and does not produce positive operating cash flows. The continued development of the property and the commencement of production therefrom is dependent on numerous factors including commodity pricing, access to capital, availability of supplies and services and various other economic and environmental factors. There are no assurances that the property will produce commercial quantities of oil that will be sufficient to support the ongoing operations of CanAsia.

CanAsia continues to consider international oil and gas concessions, including Thailand. CanAsia's management and directors have almost 20 years of oil exploration and development experience in Thailand through CanAsia's predecessor company Pan Orient.

Additional capital will be required to fund the commercial development of the Sawn Lake property and future international concessions, if obtained. The amount of capital required could be material and there are no assurances that CanAsia will be able to access the necessary funds when required. The need to raise capital to fund general corporate activities, the potential restart of Sawn Lake and the acquisition and development of international concessions create a material uncertainty that may cast doubt about CanAsia's ability to continue as a going concern.

Recent developments

The Government of Thailand published in early October 2023 that an onshore oil concession bid round has been approved. Formal announcement of the bid round, including the submission date for bids and anticipated concession award date, is anticipated by the end of the first quarter of 2024. CanAsia intends to submit a bid with joint venture partners. See "*Part 5 – Use of Available Funds – How will we use the available funds?*"

Concurrent private placement

Concurrently, and NOT pursuant to this offering document, up to 16,000,000 common shares ("**Accredited Investor Shares**") of CanAsia will be offered to accredited investors under the accredited investor exemption. In addition, a further 6,000,000 Accredited Investor Shares may be offered at the option of the Agent (the "**Agent's Option**"). Unless permitted under securities legislation, Accredited Investor Shares cannot be traded before 4 months and a day after the Closing Date.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by CanAsia in the 12 months before the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The business objectives that CanAsia expects to accomplish using the net proceeds from this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, combined with CanAsia's previously available working capital, are to achieve positive results from oil exploration and development activities in Thailand, other new ventures or CanAsia's existing assets. See "*Part 5 – Use of Available Funds – How will we use the available funds?*"

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the offering?

The following table sets out what CanAsia's available funds will be after this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares.

| | | Assuming 100% of offering ⁽¹⁾ | Assuming exercise of Agent's Option ⁽²⁾ |
|---|--|--|--|
| A | Amount to be raised by this offering of LIFE Shares | \$2,400,000 | \$2,400,000 |
| B | Amount to be raised by offering of Accredited Investor Shares ⁽³⁾ | \$1,600,000 | \$2,200,000 |
| C | Selling commissions and fees ⁽⁴⁾ | \$240,000 | \$276,000 |
| D | Estimated offering costs (e.g., legal, accounting, audit) | \$120,000 | \$120,000 |
| E | Net proceeds of offerings: E = (A+B) - (C+D) | \$3,640,000 | \$4,204,000 |
| F | Working capital as at most recent month end (Nov. 30, 2023) | \$1,438,000 | \$1,438,000 |
| G | Additional sources of funding | \$0 | \$0 |
| H | Total available funds: H = E+F+G | \$5,078,000 | \$5,642,000 |

Notes:

- (1) There is no minimum offering amount.
- (2) The Agent's Option is described under "Part 2 – Summary Description of Business – Concurrent private placement".
- (3) See "Part 2 – Summary Description of Business – Concurrent private placement".
- (4) CanAsia will pay to the Agent a cash commission of 6.0% of the aggregate gross proceeds of this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, other than in respect of proceeds from the sale of LIFE Shares and Accredited Investor Shares to certain "president's list" purchasers identified by CanAsia, for which a 3.0% cash commission will be payable. See "Part 4 – Fees and Commissions". Amounts set out assume no president's list purchasers. Actual amounts will be lower.

How will we use the available funds?

The following table sets out how CanAsia intends to use the available funds.

| Description of intended use of available funds listed in order of priority | Assuming 100% of offering | Assuming exercise of Agent's Option |
|---|---------------------------|-------------------------------------|
| Thailand, other new ventures or development of existing assets | \$2,288,000 | \$2,852,000 |
| Andora operating expenses and capital expenditures in December 2023 and in 2024 | \$1,079,000 | \$1,079,000 |
| General and administrative expenses in December 2023 and in 2024, net with interest revenue | \$1,711,000 | \$1,711,000 |
| Unallocated funds | \$0 | \$0 |
| Total: Equal to H above (Total available funds) | \$5,078,000 | \$5,642,000 |

CanAsia intends to use the net proceeds from this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, combined with CanAsia's previously available working capital, primarily for oil exploration and development activities in Thailand.

The Government of Thailand published in early October 2023 that an onshore oil concession bid round has been approved. Formal announcement of the bid round, including the submission date for bids and anticipated concession award date, is anticipated by the end of the first quarter of 2024. CanAsia intends to submit a bid with joint venture partners. It is anticipated that CanAsia's joint venture share will be 30% and that CanAsia will not be the operator. There is uncertainty as to whether CanAsia will reach an agreement with joint venture partners, that a bid will be submitted by CanAsia and its partners, that CanAsia and its partners will be awarded an oil concession, and the timing of those events.

If CanAsia and its partners are not successful in obtaining an oil concession, then CanAsia intends to use the net proceeds from this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, combined with CanAsia's previously available working capital, for other new ventures or development of CanAsia's existing assets.

CanAsia's most recently filed interim financial statements, for the three and nine months ended September 30, 2023, contain a note stating that its ability to continue as a going concern is dependent raising capital to fund ongoing operations including

the development of Sawm Lake and/or pursuit of international oil and gas concessions. It is anticipated that completion of this offering of LIFE Shares and/or the concurrent private placement of Accredited Investor Shares will eliminate the need for a going concern note in CanAsia financial statements for the period ending after the closing date of this offering and/or the concurrent private placement.

How have we used the other funds we have raised in the past 12 months?

CanAsia has not raised any other funds in the past 12 months. Operations have been financed from available working capital.

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

| | |
|-------------------------|---|
| Agent: | Research Capital Corporation (the " Agent ") is the sole agent and sole bookrunner for the offering, on a "best-efforts" basis. |
| Cash commission: | CanAsia will pay to the Agent a cash commission of 6.0% of the aggregate gross proceeds of this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, other than for sales to certain "president's list" purchasers identified by CanAsia, for which a 3.0% cash commission will be payable. |
| Broker warrants: | CanAsia will also issue to the Agent non-transferable broker warrants equal to 6.0% of the number of LIFE Shares sold under this offering and Accredited Investor Shares sold under the concurrent private placement, other than CanAsia common shares sold to president's list purchasers. Each broker warrant will entitle the Agent to purchase one Accredited Investor Share at an exercise price of \$0.10 price until 24 months after the Closing Date. The underlying Accredited Investor Shares cannot be traded before 4 months and a day after the Closing Date. |

Does Research Capital Corporation have a conflict of interest?

To the knowledge of CanAsia, Research Capital Corporation is not a "related issuer" or "connected issuer" of or to CanAsia, as those terms are defined in Canadian Securities Administrators National Instrument 33-105 – *Underwriting Conflicts*.

PART 5 PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right:

- a) to rescind your purchase of these securities with CanAsia, or
- b) to damages against CanAsia and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6 ADDITIONAL INFORMATION

Where can you find more information about us?

A security holder can access CanAsia's continuous disclosure at www.sedarplus.ca. Other information is available through CanAsia's website, at www.canasiacorp.com.

Forward-looking information

This offering document contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "will", "expect", "believe", "estimate", "should", "anticipate", "potential" or other similar wording. Forward-looking information in this offering document includes references, express or implied, to: (a) this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, including the number of LIFE Shares and Accredited Investor Shares issued, offering price, closing date or dates, proceeds raised, selling commissions and fees, estimated offering costs, TSXV listing and hold periods or other resale restrictions; and (b) the use of available funds, including if and when the Government of Thailand will announce an onshore oil concession bid round, the submission date for bids and anticipated concession award date, CanAsia's intention to submit a bid with joint venture partners, entering into of an agreement between CanAsia and joint venture partners, submission of a bid by CanAsia and its partners, award of an oil concession to CanAsia and its partners, terms of any oil concession, estimated bid round entry/application costs, drilling and related costs and use of the net proceeds from this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares, combined with CanAsia's previously available working capital, if CanAsia and its partners are not successful in obtaining an oil concession; and (c) other aspects of CanAsia's business, including Andora operating expenses and capital expenditures, general and administrative expenses, and development, joint venture or sale of Andora's Sawn Lake heavy oil property.

By its very nature, the forward-looking information contained in this offering document requires CanAsia and its management to make assumptions that may not materialize or that may not be accurate. The principal assumptions on which the forward-looking information is based include, but are not limited to, that (a) CanAsia and the Agent can complete this offering of LIFE Shares and the concurrent private placement of Accredited Investor Shares on the terms described in this offering document and (b) CanAsia and its partners will be awarded an onshore oil concession the Government of Thailand on acceptable terms.

In addition, the forward-looking information is subject to known and unknown risks and uncertainties and other factors, some of which are beyond the control of CanAsia, which could cause actual events, results, expectations, achievements or performance to differ materially. Known risks are that the principal assumptions described above prove to be incorrect, in whole or in part.

Although CanAsia believes that the expectations reflected in its forward-looking information are reasonable, it can give no assurances that those expectations will prove to be correct. CanAsia undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

PART 7 DATE AND CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after December 4, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

December 4, 2023

(signed) Jeff Chisholm

President & Chief
Executive Officer

(signed) Marcel Nunes

Vice President Finance &
Chief Financial Officer