

NEW STRATUS ENERGY INC.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2025, AND 2024**

NEW STRATUS ENERGY INC.

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Management's Responsibility for the Interim Condensed Consolidated Unaudited Financial Statements

The accompanying Condensed Consolidated Interim unaudited financial statements of New Stratus Energy Inc. Inc. (the "Company") are the responsibility of the Board of Directors.

These Condensed Consolidated Interim unaudited financial statements have been prepared by management on behalf of the Board of Directors based on the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for incomplete transactions at the end of the reporting period. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality. They are by International Financial Reporting Standards issued by the International Accounting Standards Board.

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Condensed Consolidated Interim unaudited financial statements.

The Board of Directors is responsible for reviewing and approving the company's Condensed Consolidated Interim unaudited financial statements and other financial information and ensuring management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process, financial statements, and other company financial information. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the company's financial statements and other financial details for issuance to the shareholders.

Management recognizes its responsibility to conduct the Company's affairs in compliance with established financial standards and applicable laws and regulations and to maintain proper standards of conduct for its activities.

(signed)
Jose Francisco Arata
Chief Executive Officer

(signed)
Mario A. Miranda
Chief Financial Officer

Toronto, Canada, May 30, 2024

Notice of Disclosure of Non-auditor Review of Condensed Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not reviewed the unaudited condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed them.

The accompanying unaudited condensed interim financial statements of the Company for the interim periods ended March 31, 2025, and 2024 have been prepared by International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, BDO, have not reviewed these condensed interim financial statements, following the standards established by the Chartered Professional Accountants of Canada for reviewing financial statements by an entity's auditor.

NEW STRATUS ENERGY INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited: in Canadian dollars)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 726,282	\$ 749,180
Restricted cash	5	100,000	100,000
Other receivables	6	7,138,458	6,858,824
Recoverable taxes	7	626,503	584,060
Prepaid and advance payments		60,290	21,478
		8,651,533	8,313,542
Non-current assets			
Property, plant, and equipment	8	603,815	574,436
Investments in joint venture and loan commitment	9,11b	62,183,203	61,706,854
		62,787,018	62,281,290
Total assets		\$ 71,438,551	\$ 70,594,832
LIABILITIES AND (DEFICIT) EQUITY			
Current liabilities			
Trade and other payables	11 a	\$ 6,944,749	\$ 4,801,609
Loan commitment	11 b	41,680,835	40,003,230
Taxes payable		1,185,945	1,080,899
Employee benefit obligation	12	625,596	313,519
Defined benefit obligations	13	262,924	263,162
Asset retirement obligation	14	11,283	12,261
Subscription receipts		355,017	-
		51,066,349	46,474,680
Non-current liabilities			
Other liabilities	15	29,704,688	28,981,443
Total liabilities		80,771,037	75,456,123
Shareholders' (deficit) equity			
Share capital	16	36,932,501	36,932,501
Contributed surplus	16	5,050,968	5,050,968
Cumulative translation adjustment		150,065	(130,236)
Deficit		(51,466,020)	(46,714,524)
Total(deficit)		(9,332,486)	(4,861,291)
Total liabilities and (deficit) equity		\$ 71,438,551	\$ 70,594,832

Commitments and Contingencies (Note 25) and Subsequent Events (Note 27)

Approved by the Board of Directors

See accompanying notes to the Consolidated Financial Statements.

NEW STRATUS ENERGY INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)

(Unaudited; in Canadian dollars)

For the three months ended March 31,	Notes	2025	2024
General and administrative	17	\$ (2,870,211)	\$ (5,410,780)
Income from investments in Joint Venture	9	498,449	679,769
Foreign exchange (loss) gain		55,324	181,893
Other income	19	103,681	247,533
Operating loss from operations		(2,212,757)	(4,301,585)
Financial cost ,net	18	(820,751)	(337,261)
Accretion expenses on the loan commitment	11b	(1,710,886)	-
Net loss before income taxes from operations		(4,744,394)	(4,638,846)
Income tax expense		(7,102)	-
Net loss		(4,751,496)	(4,638,846)

Other comprehensive loss:

Items that may be subsequently reclassified to profit or loss

Exchange differences in translation of the companies' subsidiaries.

	280,301	80,053
Net loss and comprehensive loss	\$ (4,471,195)	\$ (4,558,793)

Net loss per share

Total Basic	20	\$(0.04)	\$ (0.04)
Diluted	20	\$(0.04)	\$ (0.04)

See accompanying notes to the Consolidated Financial Statements.

NEW STRATUS ENERGY INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIT) EQUITY
(Unaudited: in Canadian dollars)

For the three months ended March 31,	Notes	2025	2024
Share capital			
Balance, beginning of the period	16	\$ 36,932,501	\$ 31,828,122
Warrants exercise	16	-	389,997
Balance, end of the period		36,932,501	32,218,119
Warrants			
Balance, beginning of the period		-	1,142,388
Fair value of warrants exercised	16	-	(77,247)
Balance, end of the period		-	1,065,141
Contributed surplus			
Balance, beginning of the period		5,050,968	4,316,215
Balance, end of the period		5,050,968	4,316,215
Cumulative translation adjustment			
Balance, beginning of the period		(130,236)	(177,408)
Translation reserve		280,301	80,054
Balance, end of the period		150,065	(97,354)
Accumulated deficit			
Balance, beginning of the period		(46,714,524)	(15,049,546)
Net loss for the period		(3,102,567)	(4,638,846)
Balance, end of the period		(49,817,091)	(19,688,392)
Total shareholders' deficit		\$ (7,683,557)	\$ 17,813,729

See accompanying notes to the Consolidated Financial Statements.

NEW STRATUS ENERGY INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited: in Canadian dollars)

For the three months ended March 31,	Notes	2025	2024
Net loss		\$ (4,751,496)	\$ (4,638,846)
Adjustment for non-cash items:			
Depletion and depreciation	8	99,110	108,454
Income from investments in joint venture	9	(498,449)	(679,769)
Foreign currency exchange		(874,379)	(181,893)
Accretion on loan commitment	11b	1,710,886	-
Payments of defined benefit obligations	13	-	(322,532)
Payments of asset retirement obligation	16	-	(35,979)
Tax credit refund	6	-	6,365,160
Net change in non-cash working capital items	24	2,947,552	(1,826,771)
Cash used in operating activities		(1,366,776)	(1,212,176)
Investing activities			
Consideration paid on investment in joint ventures OPS	9	-	(2,667,184)
Purchase of property, plant, and equipment	8	(128,382)	-
Cash used in investing activities		(128,382)	(2,667,184)
Financing activities			
Subscription receipts		355,017	-
Warrants exercised	16	-	312,750
Cash provided by financing activities		355,017	312,750
Net change in cash and restricted cash		(1,140,141)	(3,566,610)
Impact of foreign exchange on foreign currency-denominated cash balance		1,117,243	729,807
Cash and restricted cash, the beginning of the period		849,180	33,624,812
Cash and restricted cash, end of the period		\$ 826,282	\$ 30,788,008

See accompanying notes to the Consolidated Financial Statements.

NEW STRATUS ENERGY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2025, and 2024
(Unaudited: in Canadian dollars except as otherwise noted)

NOTE 1 – REPORTING ENTITY

New Stratus Energy Inc. ("New Stratus" or the "Company" or the "Corporation") is a publicly traded company domiciled in Canada. The Company was incorporated on April 12, 2015, under the Business Corporations Act (Alberta). The Company's registered office is 1500, 850 2nd Street S.W., Calgary, Alberta, Canada.

The Company's operations involve the acquisition, exploration, and development of oil and gas properties and, between January 14 and December 31, 2022, the operation and production of oil and gas deposits. These operations are subject to risks and challenges like those of companies in a comparable stage. These risks include but are not limited to, the challenges of securing adequate capital; exploration, development and operational risks inherent in the oil and gas industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in profitable production or, New Stratus' ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain.

NOTE 2 - BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, as approved by the Company's Board of Directors on May 30, 2025, have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures or are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024, and 2023 ("annual financial statements"), which have been prepared in accordance with IFRS as issued by the IASB.

The financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value and are presented in U.S. dollars. They have been prepared on a going concern basis assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due for the foreseeable future.

The ability of the Company to continue as a going concern is dependent on management's ability to secure additional sources of funding through equity issuance, debt arrangements, or asset sales and to generate sufficient cash flow from its current investments. While management is actively pursuing such financing arrangements and has taken measures to preserve liquidity, there can be no assurance these efforts will be successful or sufficient to meet the Company's short-term obligations and capital commitments.

These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments that would be necessary if the going concern assumption were inappropriate, such as the realization of assets and settlement of liabilities in amounts other than those reported. Such adjustments could be material

NOTE 3 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

Consolidation

The material accounting policies are the same as those applied in preparing the annual financial statements for the year ended December 31, 2024. Details regarding the Company and its principal subsidiaries as of March 31, 2025, are as follows:

Entity	Property /function	Registered	Interest as at March 31, 2024	Functional currency
New Stratus Energy Inc.	Corporate	Canada		CA
Petrolia Ecuador S.A.(Spain)	Ecuador Operator Blok16 and Blok 67	Spain	100%	USD
New Stratus Latin America S.A.	Technical Assistance	Colombia	100%	USD
Operadora NSE Mexico S.A.	Soledad Project	Spain	100%	EUR

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been aligned, where necessary, to ensure consistency with the policies adopted by the Company.

NEW STRATUS ENERGY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2025, and 2024
(Unaudited: in Canadian dollars except as otherwise noted)

New accounting standards issued but not effective.

IFRS 18 – Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18, Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1, Presentation of Financial Statements.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of the adoption of this standard is currently under evaluation.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments, estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgments, estimates and assumptions made by management in applying the Company's accounting policies are the same as those that applied to the consolidated financial statements for the years ending December 31, 2024, and 2023.

NOTE 5 – RESTRICTED CASH

	March 31, 2025	December 31, 2024
GIC - One year cashable	100,000	100,000
	\$ 100,000	\$ 100,000

As at March 31, 2025, restricted cash balance of \$0.1 million corresponds to a deposit on corporate credit card (December 31, 2024, \$0.1 million corresponds to \$0.1 million deposit on corporate credit card.

NOTE 6 – OTHER RECEIVABLES

	March 31, 2025	December 31, 2024
Other receivables	\$ 7,138,458	\$ 6,858,824
	\$ 7,138,458	\$ 6,858,824

As of March 31, 2025, other receivables include \$6.8 million (US\$4.7 million) related to compensation receivable from the Government of Ecuador. This amount pertains to a claim recognized in favor of the Company in connection with tax changes enacted during the term of the Service Contracts, which concluded on December 31, 2022. Pursuant to the tax stabilization clause included in the Service Contracts, the Company is protected against the adverse economic impact of new taxes or regulatory changes introduced during the contract period. Following the introduction of new tax measures by the Government of Ecuador during the execution of these contracts, the Company filed for compensation, which was formally recognized in 2024. Under the terms of the compensation agreement, settlement will be made through payment in kind, specifically in the form of crude oil.

NOTE 7 – RECOVERABLE TAXES

	March 31, 2025	December 31, 2024
Tax credits	\$ 626,503	\$ 584,060
	\$ 626,503	\$ 584,060

- (1) As of March 31, 2025, recoverable taxes include \$0.3 million to Income Tax Withheld by the Government of Ecuador and \$0.3 million related to tax credits in Colombia.

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment includes the Company's Oil and Gas production investments such as machinery, processing facilities, equipment, vehicles, office equipment, and furnishings, among other things:

NEW STRATUS ENERGY INC.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025, and 2024

(Unaudited: in Canadian dollars except as otherwise noted)

Cost	Oil and gas production investments	Other Assets	Total
Balance on December 31, 2023	\$ 29,423,598	\$ 1,258,048	\$ 30,681,646
Additions	-	342,099	342,099
Derecognition	(29,423,598)	-	(29,423,598)
Effect of change in exchange rates	-	50,493	50,493
Balance on December 31, 2024	\$ -	\$ 1,650,640	\$ 1,650,640
Additions	-	128,382	128,382
Effect of change in exchange rates	-	(395)	(395)
Balance on March 31, 2025	\$ -	\$ 1,778,627	\$ 1,778,627

Accumulated depletion and depreciation

Balance on December 31, 2023	\$ (29,423,598)	\$ (628,742)	\$ (30,052,340)
Depletion and depreciation	-	(402,764)	(402,764)
Derecognition	29,423,598	-	29,423,598
Effect of change in exchange rates	-	(44,698)	(44,698)
Balance on December 31, 2024	\$ -	\$ (1,076,204)	\$ (1,076,204)
Depletion and depreciation	-	(99,110)	(99,110)
Effect of change in exchange rates	-	502	502
Balance on March 31, 2025	\$ -	\$ (1,174,812)	\$ (1,174,812)

Carrying amounts as at:

December 31, 2024	\$ -	\$ 574,436	\$ 574,436
March 31, 2025	\$ -	\$ 603,815	\$ 603,815

As of December 31, 2022, when the Service Contracts in Ecuador were terminated, all the oil and gas production investments were fully depleted and depreciated, except for Other Equipment representing information systems that remained with the Company. As a result, no depleted and depreciated assets are to be assessed for impairment on either March 31, 2025 or December 31, 2024.

NOTE 9 – INVESTMENT IN JOINT VENTURE

The following table summarizes the Company's investment in Operaciones Petroleras Soledad S. de R.L. de C.V.

	Total
Balances on December 31, 2024	\$ 26,125,279
Company's share of the income from the joint venture	498,449
Effect of change in exchange rates	(22,100)
Balances on March 31, 2025	\$ 26,601,628

Operaciones Petroleras Soledad S. de R.L. de C.V.

On May 14, 2024, NSE entered into definitive agreements (the "Definitive Agreements") with an arm's-length vendor for the acquisition of an initial 49% equity interest in Operaciones Petroleras Soledad S. de R.L. de C.V. ("OPS"), a private Mexican oil & gas company, with the exclusive right for New Stratus to negotiate the purchase of up to an additional 41% of the equity interest in OPS, as described in further detail below (the "Acquisition").

OPS is the third-party contractor and operator of a hydrocarbons production contract awarded by Pemex Exploracion y Produccion, S.A. de C.V. ("PEP"), a subsidiary of Petroleos Mexicanos the Mexican national oil company, on the Soledad block ("Soledad Block") located in the State of Veracruz in eastern Mexico (the "O&G Contract").

The acquisition of OPS has been structured into two tranches.

The first tranche, which closed on September 27, 2024, involved the purchase by New Stratus of an initial 49% equity interest in OPS. As consideration for this tranche, New Stratus (i) paid the vendor a fixed amount of US\$2 million at closing; (ii) committed to fund capital and, in certain cases, operational expenditures for OPS over the next two years under the O&G Contract, totaling US\$15 million for the first year (fully advanced As of March 31, 2025) and US\$30 million for the next year (the "Commitment") (Note 12(b)); and assumed 49% of

NEW STRATUS ENERGY INC.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the three months ended March 31, 2025, and 2024***(Unaudited: in Canadian dollars except as otherwise noted)*

the abandonment obligations to be fulfilled by the end of the O&G Contract in 2039, with an estimated net obligation to New Stratus of US\$9.95 million. The Commitment will be reimbursed by OPS using cashflow from operations.

According to the terms of the Definitive Agreements, effective May 1, 2024, New Stratus is entitled to the economic benefits, including production revenues and cash flows, associated with holding a 49% equity interest in OPS, with these entitlements accruing in advance of the first tranche closing. With the signing of the first tranche of the Acquisition, NSE has nominated one director to the board of directors of OPS, has filled a number of technical and managerial positions of OPS, and will nominate a member of OPS in the operating committee of the O&G Contract.

The second tranche involves the purchase by NSE of up to an additional 41% of the equity interest of OPS under terms to be negotiated among New Stratus and OPS based on the results of operations on the field. For six months after completion of the two-year Commitment, New Stratus will have the right of exclusivity, a right of first offer and a first right of refusal, subject to regulatory approval, to negotiate the second tranche of the Acquisition.

As of March 31, 2025, the Company has recorded an investment of \$24.5 million (US\$ 17.0 million) in OPS, allocated as follows:

- (1) \$21.6 million (US\$ 15.0 million) Advanced As at March 31, 2025 to fund capital and operational expenditures under the O&G Contract for OPS.
- (2) \$2.9 million (US\$ 2.0 million) as consideration paid for the acquisition of an initial 49% equity interest in OPS.

The Company recognized \$1,663,979 (US\$ 1,219,668) as share of income from this joint venture operation during the year ended December 31, 2024.

During the three months ended March 31, 2025, the company recognized an income of \$498,449 (US\$ 347,303) in Income from investments in Joint venture (three months ended March 31, 2024 nil). This amount relates to the equity pickup of the company's 49% share of the net income from OPS. As of March 31, 2025, OPS reported a net income of \$ USD 708,781.

The following tables summarize the financial information of **Operaciones Petroleras Soledad S. de R.L. de C.V.** at 100% expressed in United States dollar ("USD")

	March 31, 2025
Current assets	\$ 56,209,536
Non-current assets	25,195,796
Total	81,405,332
Current liabilities	57,295,063
Total liabilities	57,295,063
Total equity	24,110,269
Total liabilities and equity	\$ 81,405,332

	March 31, 2025
Revenue	\$ 4,707,334
Cost of goods sold	530,558
Gross profit	4,176,776
Total general administrative	(3,490,103)
Interest income	22,108
Net income	\$ 708,781
Equity pick up at 49%	\$ 347,303
Equity pick up at 49% (CAD)	\$ 498,449

The \$41.7 million (US\$ 30.0 million) remaining commitment under the O&G Contract has been registered as a CAPEX Commitment in joint venture (Note 11b).

NEW STRATUS ENERGY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2025, and 2024
(Unaudited: in Canadian dollars except as otherwise noted)

NOTE 10 – DISCONTINUED OPERATIONS

The following table summarizes the Company’s discontinued operations as at December 31, 2024:

	Total
Investment in shares DOOG	\$ (16,707,518)
Company’s share of the income from the joint venture	(4,639,305)
Advance (cash call provided by New Stratus)	(6,658,566)
Accounts payable to Favilla. (Finder Fees)	8,024,666
Loss on disposal of discontinued operations	\$ (19,980,723)

Desarrolladora de Oriente Oil & Gas Ltd. (DOOG)

On January 2, 2024, New Stratus announced the acquisition (the “Acquisition”) of a 50% indirect interest in GoldPillar International Fund SPC Ltd. (“GoldPillar”), a private entity organized and existing under laws of the British Virgin Islands, which has acquired a 40% equity participation (the “Equity Subscription”) in a joint venture company, Petrolera Vencupet, S.A. (“Vencupet”), which holds the oil production rights for the fields named “Adas,” “Lido,” “Limon,” “Leona,” “Oficina Norte” and “Oficina Central” all located onshore in the Anzoategui and Monagas States in Eastern Venezuela (the “Fields”). Petroleos de Venezuela S.A. (“PDVSA”), the Venezuelan national oil company, through its subsidiary Corporacion Venezolana de Petroleo S.A. (“CVP”), owns the remaining 60% of the share capital of Vencupet.

During the three months ended March 31, 2024, the Company recognized an income of \$679,769 in Income from investments in Joint venture. This amount relates to the equity pickup of the company's 49% share of the net income from Desarrolladora de Oriente. As of March 31, 2024, Desarrolladora de Oriente reported a net income of \$1,028,532.

Loss on disposal of discontinued operations (Desarrolladora de Oriente Oil & Gas Ltd.)

On December 19, 2024, New Stratus Energy Inc. (“NSE” or the “Company”) entered into a Termination Agreement with Franco Favilla and related parties, effectively cancelling its indirect participation in Petrolera Vencupet, S.A. (“Vencupet”) and permanently waiving all associated rights and claims related to the Venezuelan joint venture operations.

The decision to terminate the Company’s participation was driven by a combination of operational, financial, and strategic considerations, including:

- The inability to recover invested capital under the original contractual arrangements;
- The absence of future economic benefits from the Venezuelan operations;
- The deterioration of the investment climate for foreign investors in Venezuela; and
- The availability of alternative investment opportunities deemed more viable and strategically aligned with the Company’s objectives.

In December 2024, management concluded that the continuation of operations in Venezuela was no longer feasible. Accordingly, the Termination Agreement provided for the following:

Actions by NSE:

- Transfer of its 49% interest in the share capital of Desarrolladora de Oriente Oil & Gas (“DOOG”) to Franco Favilla for nominal consideration of USD 1.00.
- Irrevocable waiver of all rights to receive repayment from DOOG, Favilla, Zenith, Seasif, or Goldpillar related to prior cash disbursements.

Actions by Favilla:

- Irrevocable waiver of any rights to request further disbursements from NSE, whether pending or future.
- Assumption of full responsibility for all outstanding expenses and amounts owed to third parties. :

As a result of the termination and classification of the Venezuelan operations as a discontinued operation, the Company recognized a loss of \$19.9 million for the year ended December 31, 2024. This loss reflects the difference between the carrying amount of the related investment and the consideration received, measured in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, and IAS 28, Investments in Associates.

The results of the discontinued operation have been separately presented in the consolidated statement of operation and comprehensive loss for all periods presented.

Contingency Disclosure:

In connection with a Side Letter Agreement, NSE has acknowledged a contingent obligation of up to USD 4.1 million, conditional upon the non-recovery of PDVSA receivables by Goldpillar. As at year-end, based on information available, the Company assessed that collection is probable and no provision has been recorded.

NEW STRATUS ENERGY INC.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025, and 2024

(Unaudited: in Canadian dollars except as otherwise noted)

NOTE 11 – TRADE AND OTHER PAYABLES AND LOAN COMMITMENT

a) Trade and other payable

	Trade Payable	Purchase price Obligations (1)	Provisions(2)	Total
Balance, December 31, 2023	\$ 1,909,927	\$ -	\$ 464,220	\$ 2,374,147
Increases	8,004,511	8,248,845	220,902	16,474,258
Termination of agreement	-	(8,024,666)	-	(8,024,666)
Payments	(6,298,858)	(681,571)	(102,142)	(7,082,571)
Effect of change in exchange rates	603,049	457,392	-	1,060,441
Balance, December 31, 2024	\$ 4,218,629	\$ -	\$ 582,980	\$ 4,801,609
Increases	1,754,881	-	731,086	2,485,967
Payments	(132,656)	-	(210,171)	(342,827)
Balance, March 31, 2025	\$ 5,840,854	\$ -	\$ 1,103,895	\$ 6,944,749

- As of December 31, 2023, the Company paid the two installments of the Purchase Price to Repsol, as described in Note 4. As of March 31, 2025 Purchase price Obligation included a finder's fee payable to Favilla in the amount of \$8.0 million (USD\$5.6 million), payable in installments over 24 months from May 27, 2024. This account payable was settled as part of the termination agreement (See Note 10).
- As of March 31, 2025, provisions include an accrual of \$0.8 million for services rendered by directors and officers (December 31, 2024 – \$0.3 million). During the three months ended March 31, 2025, the Company accrued \$0.7 million (Note 22) in compensation for these related parties and paid \$0.2 million related to the 2024 accrual.

b) Loan Commitment

Investment- loan commitment

Balance, December 31, 2024	\$ 35,581,575
Balance, March 31, 2025	\$ 35,581,575

Liability

Balance, December 31, 2024	\$ (40,003,230)
Accretion	(1,710,886)
Effect of change in exchange rates	33,281
Balance, March 31, 2025	\$ (41,680,835)

As described in Note 9, Operaciones Petroleras Soledad S. de R.L. de C.V. ("OPS"), on May 14, 2024, the Company entered into an agreement to fund capital expenditures and, in certain cases, operational expenditures for OPS under the terms of the Oil & Gas (O&G) Contract. The total commitment amounts to USD 45 million, of which USD 15 million had been fully advanced As at March 31, 2025. The remaining USD 30 million (equivalent to approximately CAD 43.2 million) is required to be funded by June 15, 2025, in accordance with the contractual schedule.

The commitment does not bear interest under the terms of the agreements.

NOTE 12 – EMPLOYEE BENEFIT OBLIGATION

The employee benefits obligations are summarized as follows:

Balance, December 31, 2023	\$ 483,446
Increases	405,119
Payments	(609,223)
Effect of change in exchange rates	34,177
Balance, December 31, 2024	\$ 313,519
Increases	312,017
Balance, March 31, 2025	\$ 625,596

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As of March 31, 2025, the employee benefits include mainly obligations payable to employees for vacations, thirteenth and fourteenth salary, reserved funds, and variable bonuses for achievement goals.

NOTE 13 – DEFINED BENEFIT OBLIGATION

Balance, December 31, 2023	\$	854,911
Reverse provision		(533,269)
Payments		(133,655)
Effect of change in exchange rates		75,175
Balance, December 31, 2024	\$	263,162
Effect of change in exchange rates		(238)
Balance, March 31, 2025	\$	262,924

During 2023, Petrolia Ecuador S.A. rehired certain employees who had been previously employed by Petrolia and whose employment had been formally terminated as of December 31, 2022. In accordance with local labor regulations, the termination followed by immediate rehire requires the recognition of continued employee entitlements, including pension rights, severance benefits, and other compensation obligations. As a result, the Company has recognized a provision of \$0.2 million as of March 31, 2025, to reflect these obligations.

NOTE 14 – ASSET RETIREMENT OBLIGATION

Balance, December 31, 2023	\$	102,392
Liabilities settled		(99,135)
Effect of change in exchange rates		9,004
Balance, December 31, 2024	\$	12,261
Effect of change in exchange rates		(978)
Balance, March 31, 2025	\$	11,283

As at March 31, 2025, the Asset Retirement Obligation (ARO) provision totals \$11,283.

NOTE 15 – OTHER LIABILITIES

	Provision tax Credit and others (1)	Provision Solidarity Contribution tax and others (2)	Total
Balances, December 31, 2023(1)	20,502,123	2,160,439	22,662,562
Increases	-	1,394,031	1,394,031
Interest accrued (Note 19)	2,980,846	-	2,980,846
Reverse provision	-	(207,886)	(207,886)
Effect of change in exchange rates	2,009,109	142,781	2,151,890
Balances, December 31, 2024(1)	\$ 25,492,078	\$ 3,489,365	\$ 28,981,443
Interest accrued (Note 19)	556,333	191,845	748,178
Effect of change in exchange rates	(21,698)	(3,235)	(24,933)
Balances March 31, 2025	\$ 26,026,713	\$ 3,677,975	\$ 29,704,688

- (1) On July 12, 2023, the Company announced that Consortium Block 16 had been notified of a final and definitive ruling by the National Court of Justice of Ecuador regarding a prior-year tax claim. The ruling granted the Consortium the right to obtain a tax credit of \$19.4 million (US\$14.6 million). The corresponding amount was received in cash. As a result of agreements and covenants entered by the Company during past years related to this income tax credit, the Company recognized a reserve for contractual responsibilities in the same amount refunded. As of March 31, 2025, the balance of the provision related to this reserve is \$26.0 million (US\$18.1 million) (December 31, 2024: \$ 25.4 million (US\$17.7 million)). During the three months ended March 31, 2025 Petrolia accrued interests associated with this provision recognized through a comprehensive loss of \$0.6 million (US\$0.8 million). The Company aims to reach an amicable settlement on all the outstanding issues derived from the Service Contracts, including this fiscal year refund.
- (2) As of March 31, 2025, the Company has a provision of (i) \$2.3 million (US\$ 1.6 million) related to the 2016 Solidarity Contribution Tax trial. (December 31, 2024: \$2.1 million (US\$ 1.6 million)), and (ii) \$ 1.4 million (US\$1.0 million) related to foreign currency outflow tax (December 31, 2024 \$ 1.4 million (US\$1.0 million)).

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NOTE 16– SHARE CAPITAL
Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued and Outstanding

	Number	Amount
Balance, December 31, 2023	124,001,778	\$ 31,828,122
Warrants exercised	9,594,995	4,280,054
Warrants exercised FV allocation	-	892,436
Option exercised	240,000	31,000
Shares repurchased	(190,500)	(99,111)
Balance, December 31, 2024 and March 31, 2025	133,646,273	\$ 36,932,501

Warrants:

As part of the July 30, 2021, financing, the Company issued 16,095,376 warrants valued at \$186,776. Each warrant will entitle the holder to purchase one common share at an exercise price of \$0.45 until the second anniversary of the warrant issuance. For accounting purposes, the Company uses the Black-Scholes valuation methodology to value the warrants at the date of issuance. The significant inputs into the model were a share price of \$0.32, an exercise price of \$0.45, volatility of 70%, a dividend yield of 0%, an expected warrant life of two years and an annual risk-free interest rate of 0.45%. Volatility was estimated based on the average volatility of a sample of peer companies with available public pricing data.

	Exercise price	Number of warrants	Fair value
Balance, December 31, 2023	\$ 0.45	12,992,100	\$ 1,142,388
Non-cash exercised	-	(104,617)	(9,384)
Warrants exercise	-	(9,490,378)	(892,436)
Warrants expired	-	(3,397,105)	(240,568)
Balances, December 31, 2024 and March 31, 2025	-	-	-

During the three months ended March 31, 2025, and 2024, a total of nil and 695,000 warrants, respectively, were exercised. These warrants were issued at an exercise price of \$0.45. The remaining 3,397,105 warrants expired unexercised on July 31, 2024.

Stock-based compensation:

The Company has a stock option plan for employees, officers, directors and consultants (the “Plan”). The Company uses a Black-Scholes valuation methodology for accounting purposes to value the stock options at the award date. The maximum number of stock options reserved for issuance under the plan may not exceed 10 percent of the number of common shares issued and outstanding.

On September 4, 2024, the Company granted an aggregate of 1,800,000 stock options to employees of its subsidiaries under the Company’s Plan. The options are exercisable at \$0.46 for five years and fully vested on the issuance date. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 70%, risk-free interest rate of 2.86%, and an expected average life of 5 years. The fair value of all these options was estimated at \$494,185.

The following schedule describes the stock-based compensation transactions As of March 31, 2025:

	Number of Stock Options	Weighted average Exercise price	Fair value
Balance, December 31, 2023	11,495,000	\$ 0.51	\$ 3,406,602
Options granted	1,800,000	\$ 0.46	494,185
Option canceled	(300,000)	\$ 0.30	(47,274)
Option canceled	(60,000)	\$ 0.50	(17,470)
Option canceled	(270,000)	\$ 0.65	(104,373)
Option canceled	(150,000)	\$ 0.85	(75,585)
Option exercised	(140,000)	\$ 0.03	(3,996)
Options exercised	(100,000)	\$ 0.10	(13,380)
Balance, December 31, 2024 and March 31, 2025	12,275,000		\$ 3,638,709

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The weighted average share price at the date stock options were exercised was \$0.61

The following schedules describe the stock options available and their remaining contractual life on March 31, 2025, and December 31, 2024:

	Number of Stock Options	Remaining life (yrs.)	Exercise Price
Granted on July 7, 2020	660,000	0.27	\$ 0.05
Granted on April 13, 2021	1,160,000	1.03	0.24
Granted on October 1, 2021	3,200,000	1.50	0.30
Granted on December 6, 2021	50,000	1.68	0.56
Granted on January 13, 2022	270,000	1.79	0.50
Granted on April 28, 2022	1,885,000	2.08	0.65
Granted on October 4, 2022	3,250,000	2.51	0.85
Granted on December 31, 2024	1,800,000	4.50	0.46
Balance, March 31, 2025	12,275,000	2.19	\$ 0.51

	Number of Stock Options	Remaining life (yrs.)	Exercise Price
Granted on July 7, 2020	660,000	0.51	\$ 0.05
Granted on April 13, 2021	1,160,000	1.28	0.24
Granted on October 1, 2021	3,200,000	1.75	0.30
Granted on December 6, 2021	50,000	1.93	0.56
Granted on January 13, 2022	270,000	2.04	0.50
Granted on April 28, 2022	1,885,000	2.33	0.65
Granted on October 4, 2022	3,250,000	2.76	0.85
Granted on December 31, 2024	1,800,000	4.75	0.46
Balance, December 31, 2024	12,275,000	2.44	\$ 0.51

NOTE 17 – GENERAL AND ADMINISTRATIVE

The following schedule describes the general and administrative expenses incurred during the three months ended March 31, 2025, and 2024:

	March 31, 2025	March 31, 2024
Insurances	\$ -	\$ 51,230
Legal and Accounting	543,056	752,834
Management fees and salaries	1,342,087	2,100,064
Professional fees	541,125	1,868,168
Office and administration	318,426	495,759
Shareholders information and investor relations	26,407	33,527
Amortization and depreciation	99,110	109,198
	\$ 2,870,211	\$ 5,410,780

NOTE 18 – FINANCIAL (COST) GAIN, NET

The following schedule describes Financial (cost) gain, net during the three months ended March 31, 2025, and 2024

	March 31, 2025	March 31, 2024
Interest on tax contingency provision (1)	\$ 748,177	\$ 672,607
Other financial (income) expense, net	72,574	(335,346)
	\$ 820,751	\$ 337,261

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- (1) During the three months ended on March 31, 2025 and March 31, 2024 Petrolia accrued interests of \$0.75 million (US\$0.5 million) and \$0.7 million (US\$0.5 million) respectively, related to the provision for income tax credit reserve.

NOTE 19 – OTHER INCOME, NET

The following schedule describes other income incurred during the three months ended March 31, 2025, and 2024

	March 31, 2025	March 31, 2024
Operator's fee income	\$ (104,768)	\$ -
Other income	1,087	(247,533)
	\$ (103,681)	\$ (247,533)

- (1) Corresponds to additional revenue obtained from oil marketer (RTSA) on each barrel lifted.

NOTE 20 – NET LOSS PER SHARE

Basic and diluted net income per share is calculated as follows three months ended March 31, 2025, and 2024:

	March 31, 2025	March 31, 2024
Net loss	\$ (4,751,496)	\$ (4,638,846)
<i>Weighted-average common share adjustments:</i>		
Weighted-average common shares outstanding, basic	133,541,656	124,615,954
Weighted-average common shares outstanding, diluted	133,541,656	124,615,954
Total Basic and diluted loss per share	\$ (0.04)	\$ (0.04)
Fully diluted loss per share	\$ (0.04)	\$ (0.04)

Stock options and warrants were anti-dilutive for the three months ended March 31, 2025, and 2024, due to the net losses incurred during these periods.

NOTE 21 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Given the short-term nature of these financial instruments, the carrying values of cash, other receivables, trade payables, and other payables approximate their respective fair values as of March 31, 2025, and March 31, 2024.

The Company's financial instruments have been assessed in accordance with the fair value hierarchy outlined in IFRS 13, Fair Value Measurement. This hierarchy categorizes financial instruments into three levels based on the significance of the inputs used in measuring fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 31, 2025, and December 31, 2024, all of the Company's financial instruments were classified as Level 1 or Level 2 in the fair value hierarchy. No financial instruments were classified as Level 3 during these periods.

No financial instruments were transferred between Levels 1, 2, or 3 during the three months ended March 31, 2025, and 2024.

Assessing the significance of a particular input to fair value measurement requires management's judgment, and such judgment may affect the instrument's placement within the fair value hierarchy.

Market Risk

Market risk is the risk that changes in market factors, such as commodity prices and foreign exchange rates, will affect the Company's cash flows, profit or loss, liquidity, or the value of financial instruments. Market risk management aims to mitigate appropriate market risk

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exposures and maximize returns.

Commodity Price Risk

Commodity price risk is the risk that a financial instrument's fair value or future cash flows will fluctuate due to changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. World economic events that dictate the supply and demand levels affect crude oil prices. From time to time, the Company may attempt to mitigate commodity price risk by using financial derivatives.

The Company had no commodity contracts between March 31, 2025, and December 31 2024. Since the termination of its service contract on December 31, 2022, the Company has not generated revenue for three months ended March 31, 2025.

Foreign Currency Risk

The foreign currency risk is the risk that a financial instrument's fair value or future cash flows will fluctuate due to changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain expenditures are denominated in Colombian pesos and US dollars. As of March 31, 2025, the United States dollar to Canadian dollar exchange rate was 0.6956:1 (December 31, 2024 – 0.6950:1). A 1% change in the exchange rate would not generate a material impact in the Company's US dollar Cash balances held at March 31, 2025. The Company had no forward exchange rate contracts in place as at March 31, 2025 or during the three months ended March 31, 2025 and 2024. Accounts payable in USD balance as of March 31, 2025, was \$30.2 million, and a change of 1% in the exchange rate would have impacted the Canadian dollar equivalent by +/- CAD \$0.6 million.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as reasonable, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses. As at March 31, 2025, the Company has a working capital deficit of \$42.4 million (2024 – Deficit of 38.2 million) which includes \$0.73 million (2024 – \$0.75 million) of financial assets comprised of cash and restricted cash, trade, other receivables and deposits of \$7.1 million (2023 – 8.3million), and of financial liabilities comprised of trade and other payables, loan commitments, taxes payable, benefits obligations and assets retirement obligations with a contractual maturity of less than one year of \$51.1 million (2024 – \$46.5 million). During the three months ended March 31, 2025 and 2024, the Company reported net cash used in operating activities in the amount of \$1.4 (2024 \$10.5 million). The Company prepares operating and capital expenditure budgets which are regularly monitored and updated as considered necessary.

NOTE 22 – RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2025, and 2024, the transactions accrued or paid for services provided to directors and officers were as follows:

	March 31, 2025	March 31, 2024
Officers and management fees	\$ 610,516	\$ 1,305,098
Consulting fees accrued or paid to a director	47,222	57,025
	\$ 657,738	\$ 1,362,123

All the above transactions are in the ordinary course of operations and are measured at fair value, which is the price agreed upon by the related parties. The services provided by directors and officers during the three months ended March 31, 2025, remain unpaid as of that date and have been fully accrued. (Note 11a.2)

On August 23, 2023, the Company and its Chief Midstream and Downstream officer agreed to terminate the original Officer's contract, signed on February 1st. 2022. As compensation for bridging the original agreement, the Company agreed to repay the departing officer US\$151,500, payable in twelve equal quarterly installments of US\$12,625. The departing officer will continue to act as an independent business development consultant for a monthly fee of US\$10,000.

NOTE 23 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to ensure that it has sufficient cash resources to maintain financial liquidity and flexibility, provide returns for shareholders and benefits for other stakeholders, and deploy capital to explore its properties further. The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. To maintain or adjust its capital structure, the Company

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may, from time to time, issue new shares, issue new debt (secured, unsecured, convertible and other types of debt instruments), acquire or dispose of assets or adjust its capital spending to manage its ability to continue as a going concern.

The Company is not subject to externally imposed capital requirements, and the overall capital risk management strategy did not change During the three months ended March 31, 2025 and 2024.

NOTE 24 – SUPPLEMENTAL CASH FLOW INFORMATON

Changes in non-cash working capital are as follows:

	March 31, 2025	March 31, 2024
Other receivables	\$ (279,634)	\$ (2,844,657)
Accounts receivable from consortium partners	-	(2,207,787)
Recoverable taxes	(42,443)	-
Advances to suppliers and others	(38,812)	5,518,284
Investments in joint venture	-	(11,160,710)
Other assets	-	564
Trade and other payables	2,143,140	8,015,579
Taxes payables	105,046	(106,288)
Employee salaries and benefits	312,077	258,853
Defined benefit obligation	-	22,495
Other liability	748,178	676,896
	\$ 2,947,552	\$ (1,826,771)

NOTE 25 – COMMITMENTS AND CONTINGENCIES**COMMITMENTS****Block VMM-18**

Under the terms of the agreement executed concerning the VMM-18 E&P contract, The Company was required to fund an exploration commitment for the second phase of the VMM-18 E&P Contract. As per the contract and a recent extension by ANH, The Company was required to perform and drill an exploration well valued at \$4,063,200 (US\$3,000,000). All activities that NSE committed were completed except for the drilling of the exploratory well.

Due to significant financial and operational constraints imposed by the exploration area granted to the Company, on September 26, 2022, the Company submitted a request to the ANH to mutually agree to terminate the exploration and production contract for Block VMM-18. In response, the ANH asked for confirmation of the restrictions imposed on the exploration area. The Company provided the requested documentation on March 9, 2023. On May 31, 2024, the ANH issued a formal termination of the Agreement relieving the Company of any further obligations of the Project.

Block 192 Peru

New Stratus, Altamesa Energy Canada Inc., and the shareholders and right-holders of Altamesa Energy Canada Capital Inc., entered a Memorandum of Understanding on November 15, 2024, aimed to, under certain conditions, acquire 85% of the outstanding share capital of Altamesa Energy Canada Capital Inc. Altamesa Energy Canada Capital Inc. holds 61% undivided interest in a license for the production of hydrocarbons in Block 192 in the northeastern of Perú. Altamesa Energy Canada Capital Inc. has 99.99% of the share capital of Altamesa Energy Perú S.A.C.

New Stratus, in its capacity as guarantor, and Banco BTG Pactual S.A. – Cayman Branch (“BTG”) entered into an irrevocable corporate guarantee dated December 2, 2024 (the "Guarantee Agreement") pursuant to which New Stratus agreed to guarantee to BTG the punctual payment and discharge of all Obligations from time to time incurred by Altamesa Energy Peru S.A.C , under or in connection with the a bond issued up to US\$940,930.27. As per the Guarantee Agreement, upon the bond becoming due, BTG shall first require payment to Altamesa Energy Peru S.A.C. Only if full payment is not made within three (3) business days of such requirement, BTG may proceed against and enforce any other rights or security or claim payment from New Stratus under the Guarantee Agreement. On December 20,

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2024 the bond became due, and on January 29, 2025 BTG required payment of all pending obligations under the bond to Altamesa Energy Peru S.A.C. As of the March 31, 2025, BTG has not received any payments from Altamesa Energy Peru S.A.C pursuant to the bond. New Stratus and BTG are currently discussing the payment terms of this commitment.

Consulting agreements

The Company is obligated under a consulting agreement for US\$10,000 per month until May 31, 2026. (Note 24)

Executive compensation

On July 1, 2021, the Company entered into employment agreements with its senior executives, which contain clauses requiring additional payments of up to US\$3,390,000 upon the occurrence of certain events, such as a change of control. As these triggering events have not occurred, these Financial Statements have not provided contingent payment.

CONTINGENCIES

State Oil Company of Ecuador Petroecuador EP

Shushufindi Agreement: As recommended by the Comptroller General's Office, within the special examination of the contracting process and development of the cooperation agreement with Petroproduccion to increase crude oil production and reserves in the Shushufindi field, EP Petroecuador issued invoices for \$4,090,186 (US\$3,013,240) and initiated an enforceable by law collection process, proceeding to seize the invoiced amount. The Branch has challenged the procedures initiated by Petroproducción. The Company has recorded a provision for this matter.

Law 122: Ecuador Petroecuador EP ("Petroecuador") is requesting the payment of \$22,547,423 (US\$16,610,743) to the consortium that operated Block 67 (Tivacuno) where the Company has a 35% interest. On August 14, 2023, a payment request was issued based on a unilateral liquidation performed by Petroecuador under a service contract which ended in 2010, stating that Petroecuador has not withheld the entire tariff of the tax contemplated in Law 122. The Company has challenged such payment request before the Tax Court, stating that the statute of limitations to request such payment has been largely exceeded. On September 19, 2024, Petroecuador initiated a coercive procedure to collect this contingency with interest. On October 4th, Petroecuador, based on the information provided by Petrolia, cancelled the coercive procedure. The Company has not recorded any provision in the financial statements.

Auca Process, Yulebra, Culebra: EP Petroecuador claims payment of \$1,387,307.59 (US\$1,022,033) for information provided to REPSOL within a failed bidding process called by EP Petroecuador. REPSOL paid the cost of the bidding conditions, which included access to the "data room" and all the information available for this purpose. After several judicial resolutions (both from the Superior Court and the National Court of Justice), the process must be sent to the District Court of Administrative Disputes in the Metropolitan District of Quito for resolution. However, the request was denied. The Company has filed an extraordinary protection action before the Constitutional Court, which has not been admitted yet. During the year ended December 31, 2022, a prepaid balance of \$1.4 million was written off. The Company has not recorded any provision in the financial statements.

Special Examination Reports of the Comptroller General's Office

Friction Reduction Chemicals: On May 31, 2005, the Office of the Comptroller General of the State issued audit assessments against the contractor of the Block 16 participation contract for \$3,500,208 (US\$2,578,612) for the purchase and use of friction reducing chemical, of which \$1,225,073 (US\$902,514) corresponds to the Company. On November 23, 2006, Petrolia's Branch, on behalf of the contractor filed a challenge before the Contentious Administrative Court.

Solidarity Contribution tax trial

On October 7, 2019, the Internal Revenue Service of Ecuador requested two additional payments on the denominated solidarity contribution on profits, created by the Organic Law of Solidarity and Citizen Co-responsibility. The Internal Revenue Service requested two additional payments totalizing \$2,172,764 (US\$1,653,441), including principal, interest and penalties. The Company has challenged such payment requests and currently the matter is being discussed at the Tax Court and at the National Court of Justice in Ecuador. The Company has recorded a provision for the above-mentioned matter.

Based on a final and definitive ruling from the National Court of Justice, one of the additional payment requests was resolved favorably for the Company. Therefore, a reversal on the provision was recorded for \$0.19 million (US\$0.14 million). As of December 31, the reserve for this contingency is \$2.0 million (US\$1.5 million).

NOTE 26 – SEGMENTED INFORMATION

The Company's reportable segments are consistent with the Company's geographic regions in which the Company's projects are located. The Company, through its operating segments, is engaged primarily in oil exploration, development and production, and the acquisition of oil and gas properties. The Canadian segment is also considered the corporate segment. The Company has four reportable operating

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segments: Mexico , Ecuador, Colombia, and Canada. The following table shows the Company's reportable segments and its geographic location:

	Mexico	Ecuador	Colombia	Canada	Total
Three months ended March 31, 2025					
Net income (loss)	\$ 475,096	\$ (1,209,741)	\$ (413,988)	\$ (3,602,863)	\$ (4,751,496)
As of March 31, 2025					
Current asset	134,604	8,622,225	347,311	452,607	8,651,533
Non-current asset	26,601,628	301,430	111,687	35,772,273	62,787,018
Total assets	26,736,232	8,923,655	458,998	35,919,486	72,038,371
Current liabilities	23,722	3,918,188	802,537	46,321,902	51,066,349
Non-current liabilities	-	29,704,688	-	-	29,704,688
Total liabilities	\$ 23,722	\$ 33,622,876	\$ 802,537	\$ 46,321,902	\$ 80,771,037

Three months ended March 31, 2024	Ecuador	Colombia	Canada	Total
Net income (loss)	\$ (574,740)	\$ (552,508)	\$ (3,511,598)	\$ (4,638,846)
As of March 31, 2024				
Current asset	\$ 13,231,934	\$ 498,791	\$ 24,623,486	\$ 38,354,211
Non-current asset	6,493	79,067	15,090,801	15,176,361
Total assets	\$ 13,238,427	\$ 577,858	\$ 39,714,287	\$ 53,530,572
Current liabilities	\$ 2,559,367	\$ 298,865	\$ 8,922,861	\$ 11,781,093
Non-current liabilities	23,935,750	-	-	23,935,750
Total liabilities	\$ 26,495,117	\$ 298,865	\$ 8,922,861	\$ 35,716,843

NOTE 27 - SUBSEQUENT EVENTS

SINOPETROL Consortium

On February 28, 2025 the Ecuadorian Ministry of Energy and Mines ("MEM") issue Resolution No. MEM-MEM-2025-0002-RM, which accepted the recommendation made by the Hydrocarbon Tender Committee, in which it recommended the award of the Participation Contract for Exploitation and Exploration Additional Hydrocarbons (Crude Oil) in Block 60 Sacha Field in the Ecuadorian Amaz3nic Region to the SINOPETROL Consortium, made up of the companies Amodaimi Oil Company S.L. ("Amodaimi"), and Petrolia Ecuador S.A. ("Petrolia"). The Award was subject to the completion of certain documentation and the payment of an Entry Bonus of US\$1,500 million (US\$ 600 million by Petrolia) within 30 days after the Award date.

On March 05, 2025, Mr. Daniel Noboa, president of Ecuador, issue a press release accelerating the payment of the Entry Bonus date to March 11, 2025.

On April 24, 2025, the MEM informed Petrolia Ecuador that it has declare the extinction of Resolution No. MEM-MEM-2025-0002-RM. The Company is currently analyzing with its advisors what are the available resources and actions with respect to this April 24th resolution.