NG ENERGY INTERNATIONAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

The following is management's discussion and analysis ("**MD&A**") of the operating and financial results of NG Energy International Corp. ("**NG Energy**" or the "**Company**"), for the three months ended March 31, 2025, as well as information and expectations concerning NG Energy's outlook is based on currently available information.

This MD&A should be read in conjunction with NG Energy's interim condensed consolidated financial statements for the three months ended March 31, 2025, as well as the audited annual consolidated financial statements for the year ended December 31, 2024 (the "**Financial Statements**") which were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

This MD&A contains forward-looking information about our current expectations, estimates, projections, and assumptions. See the reader advisory for information on the risk factors that could cause actual results to differ materially and the assumptions underlying our forward-looking information. Additional information on the Company, its Financial Statements, this MD&A and other factors that could affect NG Energy's operations and financial results are included in reports on file with Canadian securities regulatory authorities, including the Company's Annual Information Form dated April 28, 2025 ("**AIF**") as approved by the Company's Board of Directors, and may be accessed through SEDAR+ at www.sedarplus.ca.

All financial amounts are expressed in United States (U.S.) dollars, unless otherwise indicated.

The Company's functional currency is the Canadian dollar while each of its subsidiaries with significant activity has U.S. dollar functional currency, which is the primary economic environment in which each subsidiary operates.

This MD&A is prepared as of May 27, 2025.

Non-IFRS Measures

Certain financial measures in this document may not have a standardized meaning as prescribed by IFRS Accounting Standards, and therefore are considered non-IFRS measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The definition and reconciliation of each non-IFRS measure is presented in the Operating Results, Financial Results and Liquidity and Capital Resources sections of this MD&A.

In addition to the above, management uses the operating netback measure. Operating netback is a benchmark common in the oil and gas industry and is calculated as revenue, net of transportation expense, less royalties, less operating expenses, calculated on a per unit basis of sales volumes. Operating netback is an important measure in evaluating operational performance as it demonstrates profitability relative to current commodity prices. Operating netback as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable with the calculation of similar measures for other entities.

OPERATING INCOME AND NETBACK

"Operating Income" is calculated by deducting operating expense from total revenue. Total revenue is comprised of natural gas and natural gas liquids sales, net of royalties. The Company refers to Operating Income expressed per unit of production as an “Operating Netback”. “Operating Income Profit Margin” is calculated by the Company as Operating Income as a percentage of natural gas sales. A reconciliation of the measures for the three months ended March 31, 2025 and 2024, is as follows:

	Q1 2025	Q1 2024
Natural Gas Sales	6,396,556	10,190,283
NGL Sales	23,887	46,830
Royalties	(1,083,765)	(1,676,048)
Operating Expenses	(3,440,679)	(1,104,973)
Operating Income	1,895,999	7,456,092
Gas Sales volume (Mcf)	772,428	1,273,373
Natural Gas Sales (per Mcf)	8.28	8.00
Royalties (per Mcf)	(1.40)	(1.32)
Operating Expenses (per Mcf)	(4.45)	(0.87)
Natural Gas Operating Netback per Mcf	2.43	5.81
Natural Gas Operating Income Profit Margin	29.3%	72.6%
NGL Sales volume (Bbls)	487.5	893.0
NGL Sales (per Bbl)	49.00	52.44

CORPORATE OVERVIEW AND UPDATE

NG Energy is an oil and natural gas company incorporated in Canada and is engaged in the acquisition, exploration, development, and exploitation of oil and natural gas assets in Colombia. The Company’s current asset portfolio consists of one appraisal and two producing natural gas assets in Colombia. The Company has working interests in the Maria Conchita Block, the Sinú-9 Block and the Tiburon Block. NG Energy’s common shares (each a “**Common Share**”) are listed on the TSX Venture Exchange (“**TSXV**”) under the symbol “GASX”, the OTCQX in the United States of America under the symbol “GASXF”, and the Frankfurt Stock Exchange in Germany under the symbol "56P”.

Sale of the Sinú-9 Block Working Interest

In February 2025, the Company entered into a definitive agreement (the “**APA**”) with Etablissements Maurel & Prom S.A. (“**Maurel & Prom**” or “**M&P**”) for the sale of a 40% working interest in the Sinú-9 Block to Maurel & Prom for total cash consideration of $150 million (the “**Transaction**”), with an effective as of February 1, 2025. Maurel & Prom will assume its proportional share of NGE’s carry commitments related to Sinú-9 on closing of the Transaction. The Company will receive total cash consideration payable as follows: (i) $20 million to be paid as an initial payment (the "**Initial Payment**"); and (ii) $130 million to be paid no later than 5 business days after the date on which all the conditions precedent to the Transaction have been satisfied or waived by the applicable party, subject to the terms of adjustment outlined in the APA.

In February 2025, the Company received the stipulated Initial Payment from M&P. The Company has agreed that $10 million from the Initial Payment will be used exclusively in respect of the operations at the Sinú-9 Block. In connection with the Transaction, the Company has granted M&P the irrevocable right to purchase an additional 5% operating working interest in the Sinú-9 Block for a period of 12 months from closing on the same terms and conditions as the Transaction.

Completion is expected to occur as soon as reasonably practicable, but in any event, no later than December 31, 2025, and is conditional on the satisfaction or waiver of all the conditions precedent outlined in the APA, including but not limited to, obtaining all necessary regulatory approvals, including the approval of the Colombian National Hydrocarbon Agency (the "**ANH**").

OUTLOOK

The Company's primary focus in the short term is the monetization of its natural gas resources and capitalizing on a premium pricing market in Colombia given the current shortage of gas in Colombia. The growing revenue stream will assist the Company with improving its working capital position and service outstanding debt balances.

The Company's consistent efforts with joint venture partners to accelerate commercial production from the Sinú-9 Block provides a favorable outlook for continued growth of natural gas revenue. Due to the endeavors achieved by the Company with its midstream partners, this direction will provide monetization with minimal capital expenditures and significantly reduce construction risk, while maintaining pricing upside.

The Company continues to move forward with its planned exploration and development program in the Maria Conchita Block and the Sinú-9 Block as important new sources of natural gas in Colombia. Through a phased approach, NG Energy expects to increase reserves and provide a stable supply of natural gas in Colombia. In 2025, the Company intends to complete various production enhancing activities in the Maria Conchita Block, including drilling the Aruchara-4 well in late Q2 2025. Furthermore, the Company is in the process of defining a drilling program of development wells which, together with the planned expansion of existing production facilities, will increase the production capacity of the Maria Conchita Block to 25 MMcf/d for continued production growth. For the Sinú-9 Block, the Company intends to commence drilling of two exploratory wells, with expectation for these drilling projects to begin in the third quarter of 2025. Furthermore, efforts are underway to expand the current production capacity of existing compression equipment and gathering and treatment facilities to reach 20 MMcf/d production rates in the short term. In order to accelerate further infrastructure development in the Sinú-9 Block, the Company continues to work with INFRAES S.A.S E.S.P. ("**INFRAES**") to increase the pipeline capacity within the Sinú-9 Block. This additional pipeline capacity is expected to be constructed in two stages, with the current stage focusing on the expansion of existing pipeline to reach up to 40 MMcf/d of capacity by the end of 2025.

As at the date of this MD&A, the Company is producing 8.9 MMcf/d from the Maria Conchita Block and 12.1 MMcf/d from the Sinú-9 Block.

DISCUSSION OF OPERATING RESULTS

Revenue

	Q1 2025	Q1 2024
Natural gas sales	6,396,556	10,190,283
Natural gas volume (Mcf/d)	8,582.5	13,993.1
Natural gas realized price ($/Mcf)	8.28	8.00
NGL sales	23,887	46,830
NGL volume (bbls)	487.5	893.0
NGL realized price ($/bbl)	49.00	52.44

All revenue is generated from Colombia. Gas production decreased in Q1 2025 as a result of downhole mechanical issues with the Aruchara-3 well and underperformance of compression equipment at the Maria Conchita Block. Minimal production was achieved from the Sinú-9 Block during the quarter, with production coming online during the last week of March 2025 once installation of mobile equipment for the processing of condensates associated with gas production was complete. Realized natural gas prices in Q1 2025 were higher than the $8.00/MMcf approximation seen previous quarters, averaging $8.28/MMcf. The Company had natural gas liquids sales of $23,887 for 487.5 bbls of NGL volumes for a realized sales price of $49.00/bbl (Q1 2024 - $46,830 from 893 bbls for realized sales price of $52.44/bbl).

As previously mentioned, the Company currently maintains long-term natural gas sales contracts for the Maria Conchita Block's production with Vanti, Gases del Caribe, Gases del Occidente, GEAM and EPM that ensure purchaser commitment on Company production for the foreseeable future. Natural gas sales from the Sinú-9 Block are still handled under interruptible gas sales contracts.

Royalties

	Q1 2025	Q1 2024
Total royalties	1,083,765	1,676,048
Total royalties (% of sales)	16.88%	16.45%
Total royalties ($/Mcf)	1.40	1.32

Royalties as a percentage of total natural gas sales are highly sensitive to commodity prices. Thus, royalty rates can fluctuate from quarter-to-quarter and year-to-year. Royalties as a percentage of revenues for the three months ended March 31, 2025 and 2024, were 16.88% and 16.45%, respectively. The royalties incurred in the three months ended March 31, 2025, consisted of Colombia government royalties of $402,362 and overriding royalties of $681,403 (March 31, 2024 - $645,182 and $1,030,866, respectively).

Operating Expenses

	Q1 2025	Q1 2024
Maria Conchita Block operating expenses	2,201,137	1,104,973
Sinú-9 Block operating expenses	1,239,542	-
Total operating expenses	3,440,679	1,104,973
Total operating expenses ($/Mcf)	4.45	0.87

Operating costs for Q1 2025, were $3,440,679 (Q1 2024 - $1,104,973) and include commercialization fees, lifting costs, municipal taxes, and other field and maintenance costs that are incurred to operate, gather and treat production volumes and to perform well and facility repairs and maintenance on the Maria Conchita Block and the Sinú-9 Block wells. In Q1 2025, operating costs increased due to several reasons. The Sinú-9 Block production operations contributed to additional operating costs for these new commercial operations. Initial costs on these new operations included one-time expenses to evaluate the higher-than-expected condensate liquids being produced from the Sinú-9 Block, requiring re-engineering of processing and compression facilities to handle this mix of natural gas and condensate. Additional subcontracting expenses were also incurred to bring Sinú-9 operations online after suspension of production for most of the quarter due to the aforementioned condensate issues. Additional costs were also incurred on the Aruchara-3 well due to downhole mechanical issues due to stuck tools causing obstructions. The combination of all of these additional costs led to significantly higher operating expenses in Q1 2025.

General and Administrative Expenses

General and administrative ("**G&A**") expenses for the three months ended March 31, 2025, totaled $1,681,621 (2024 comparative period - $1,247,704). The G&A expenses relate to the normal course of the Company's operations, and are constituted as follows:

	Q1 2025	Q1 2024
Wages & Salaries	767,757	664,495
Professional Fees	718,599	318,056
Other	195,265	265,153
Total	**1,681,621**	**1,247,704**

Professional fees are composed of legal, audit, tax, and other consultant fees that have been incurred by the Company for operations. Wages and salaries are amounts paid to employees of the Company. Other expenses comprise the normal operations of the Company and include office rent, public relations, insurance, travel, and other general and administrative expenses. In Q1 2025, continued Company growth and development demanded further support from business professionals. The Company hired further qualified personnel to support ongoing growth. Additional legal and consultant expenses were incurred to support the Company through its ongoing development in corporate structuring, technical planning, and public relations.

Share-Based Payments

For the three months ended March 31, 2025, the continued vesting of the stock options granted in 2023 and 2024 equated to $113,181 (2024 comparative period - $214,022) in share-based compensation expense related to stock options. The decrease in share-based compensation expense from 2024 to 2025 is primarily related to the timing of vesting of stock options in each period with share-based compensation expense consisting of the gradual vesting over time of the options for the portion of the year over which they were vesting from the date of grant.

Restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and restricted share units with performance criteria ("**PSUs**") were issued in September 2023, August 2024, and September 2024. The value of vesting of these compensation units for the three months ended March 31, 2024 and 2025, was $1,553,841 and $316,877, respectively. Similar to above, variations in recognized share-based compensation expense related to compensation units relates to the timing of vesting units in each period.

Net Finance Expense

The Company's net finance-related expenses for each of the reporting periods are as follows:

	Q1 2025	Q1 2024
Interest income	(61,602)	(214,138)
Bank/trust fees	75,436	47,607
Interest and fees on convertible debentures	234,070	1,538,195
Interest and fees on promissory notes	-	57,422
Interest and fees on Macquarie debt	1,826,256	77,107
Accretion on decommissioning obligations	32,089	24,027
Accretion on liability component of convertible debentures	188,124	632,888
Accretion on lease obligations	693,656	967,020
Amortization of transaction costs on Macquarie Financing	616,062	70,661
Total net finance expense	**3,604,091**	**3,200,789**

Net finance expenses were $3,604,091 for the three months ended March 31, 2025, compared to finance expenses of $3,200,789 for the comparative period in 2024. Finance expenses include accretion on decommissioning obligations that are associated with oil and gas properties acquired, accretion on existing lease obligations for existing service contracts and agreements in Colombia, and accretion and interest expense related to existing debt in each period. Increases in finance expenses year-over-year is a result of additional debt in Q1 2024 with increased debt service costs resulting thereafter.

Other Expenses

During the three months ended March 31, 2025, the Company incurred expenses of $0.6 million in relation to the Transaction with M&P. In March 2024, the Company announced that it completed a shares for debt settlement with Plus+, whereby the Company issued 2,000,000 common shares to Plus+ at a deemed issuance price of C$1.00 per common share in satisfaction of $1,502,000 owing to Plus+ pursuant to the terms of a termination agreement entered into between the Company and Plus+ in relation to the termination of the existing natural gas supply contract between the parties. This settlement was recognized as "other expense" of $1.5 million for the three months ended March 31, 2024.

Debt Settlement Costs

In March 2024, in connection with the Macquarie Financing, 100% of the holders of the Company's Debentures issued in November 2022 and July 2023, elected to convert or redeem their Debentures in accordance with their terms. Holders of C$2.4 million face value of Debentures chose to redeem, resulting in payment of C$3.0 million in principal, interest and redemption premium per the Debenture terms. Holders of the remaining C$67.2 million face value of Debentures chose to convert, resulting in the issuance of 85,731,098 Common Shares and payment of C$30.3 million in interest and conversion premium per the Debenture terms. Total of all such aforementioned disbursements in relation to the redemption and conversion of Debentures equated to total debt settlement costs of $22.9 million in Q1 2024.

Foreign Exchange

The Company incurred a foreign exchange gain of $292,439 for the three months ended March 31, 2025 (2024 comparative period - $146,763). Foreign exchange results are due to the movements in the value of the Canadian dollar and the Colombian peso when compared to the US dollar in each period.

Cash provided by / used in Operating Activities

For the three months ended March 31, 2025, the Company used cash in operating activities of $2,619,876 (2024 comparative period – generated cash from operating activities of $7,369,429). Decreased sales revenue and increased operating expenses in Q1 2025 versus Q1 2024 were the primary factors in net negative cash flow for the 2025 period. Conversely, higher sales revenue and lower operating expenses resulted in positive cash flow from operating activities in Q1 2024.

CAPITAL ADDITIONS

For the three months ended March 31, 2025, the Company had additions (prior to recognition of any impairments, disposals, or revisions of estimates) of $1.8 million relating to property, plant, and equipment. Additions to property, plant, and equipment relate primarily to the ongoing SN-9 development program as well as pre-drilling work for the Aruchara-4 well, including community relations and environmental license compliance work.

CAPITAL MANAGEMENT AND GOING CONCERN

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing exploration and development commitment activities of its oil and gas assets. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure as outlined below. To maintain or adjust the capital structure, from time to time the Company may issue or repurchase common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels.

The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding debt less working capital. To facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecasted commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	March 31, 2025	December 31, 2024
Convertible debentures (8% May 2022)	11,684,057	11,673,501
Macquarie debt (13.8%)	32,000,000	35,000,000
Lease obligations	21,969,736	23,510,217
Total debt	65,653,793	70,183,718
Less: working capital (deficit) (1)	13,158,431	22,172,508
Net debt	**52,495,362**	**48,011,210**

1) Calculation of working capital excludes current portion of lease obligations and current portion of debt as presented on the consolidated statement of financial position.

The Company regularly monitors its capital structure and, as necessary, adjusts to changing economic circumstances and the underlying risk characteristics of its assets to meet current and upcoming obligations and investments by the Company. The Company frequently reviews alternate financing options and arrangements to meet its current and upcoming commitments and obligations.

During the three months ended March 31, 2025, the Company recognized a net loss of $5.8 million and cash used in operating activities of $2.6 million. As of March 31, 2025, the Company had a working capital deficiency of $2.5 million, including cash and cash equivalents of $16.9 million. For 2025, the Company has contractually committed exploration and development amounts of $8.0 million, debt repayment obligations of $9.4 million, and $6.3 million for lease obligations. The Company anticipates increased gas production from existing gas concessions during 2025, but reaching these objectives is contingent upon continued success in the development of these concessions in order to increase gas production rates. As such, the Company continues to need additional capital to fund the Company’s ongoing operations, commitments, and the continued development of the Company’s production assets.

In February 2025, the Company entered a definitive agreement to sell a 40% operating working interest in the Sinú-9 Block for total cash consideration of $150 million (see above), receiving an initial payment of $20 million at the time of signing. Receipt of the remaining cash consideration payable is conditional upon satisfaction or waiving of all conditions precedent to the transaction, subject to the terms of the definitive agreement.

There remains a material uncertainty surrounding the Company’s ability to obtain sufficient capital to meet its operational requirements and commitments. These conditions noted above indicate that a material uncertainty exists that may cast significant doubt with respect to the Company’s ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for the Financial Statements and that the Company will be able to meet its operational requirements and commitments during the upcoming year and beyond. There is no guarantee that the Company will be successful in its endeavors and no certainty as to the timing of the Company’s impending exploration and development commitments. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be material.

The Company’s Colombian oil and gas interests are in the early development or exploration stage. Accordingly, the recoverability of amounts recorded as oil and natural gas properties is dependent upon successful development of its assets to put them into production and then achieve future profitable production, the ability of the Company to secure adequate sources of financing to continue to fund the development of its assets and the political stability of Colombia. The outcome of these matters cannot be predicted with certainty at this time.

LONG-TERM INCENTIVE COMPENSATION

The long-term incentive compensation includes DSUs, RSUs and PSUs. Each of these compensation units are expected to be settled by way of the issuance of Common Shares of NG Energy when settled. As such, they are recognized as contributed surplus on a graded vesting basis over the vesting term of each grant.

A summary of the changes in compensation units is presented below:

	DSUs	RSUs	PSUs
Balance, December 31, 2023	4,540,000	2,525,000	2,635,000
Units issued	-	597,500	897,500
Units converted	(2,600,000)	-	2,600,000
Units settled	-	(125,000)	-
Balance, December 31, 2024	1,940,000	2,997,500	6,132,500
Units settled	(1,600,000)	(1,137,500)	-
Balance, March 31, 2025	**340,000**	**1,860,000**	**6,132,500**

The following summarizes information about compensation units outstanding as at March 31, 2025:

Units	Vesting Criteria	Outstanding
DSUs	50% vesting in September 2024, 50% vesting in September 2025	340,000
RSUs	50% vesting in September 2024, 50% vesting in September 2025	1,262,500
	50% vesting in August 2025, 50% vesting in August 2026	597,500
PSUs	3 tranches vesting based on milestone criteria, with minimum vesting period of one year (vest date of September 2024)	5,235,000
	3 tranches vesting based on milestone criteria, with minimum vesting period of one year (vest date of August 2025)	597,500
	3 tranches vesting based on milestone criteria, with minimum vesting period of one year (vest date of September 2025)	300,000

SHARE CAPITAL

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, with no par value, with holders of Common Shares entitled to one vote per share and to dividends, if declared. Outstanding Common Shares as at March 31, 2025 are as follows:

	Common shares	Amount ($)
Balance, December 31, 2023	137,450,742	114,641,544
Shares issued through private placement, net of costs	28,572,000	21,104,317
Shares issued for debt settlement	2,000,000	1,502,000
Shares issued through warrant exercise	13,000	9,094
Shares issued through option exercise	1,120,000	1,015,821
Shares issued through compensation unit settlement	125,000	109,209
Conversion of debentures	85,731,098	47,317,917
Balance, December 31, 2024	255,011,840	185,699,902
Shares issued through warrant exercise	25,000	19,621
Shares issued through compensation unit settlement	2,737,500	2,273,213
Balance, March 31, 2025	**257,774,340**	**187,992,736**

Stock Options

The Company's stock option plan provides for the issue of stock options to directors, officers, employees, charities, and consultants. The plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding Common Shares. Vesting terms are determined by the Board of Directors as they are granted and currently include periods ranging from immediately to one-third on each anniversary date over three years. The options' maximum term is ten years.

As at March 31, 2025, a total of 10,891,893 (December 31, 2024 – 10,941,893) options were issued and outstanding under this plan. Options which are forfeited/expired are available for reissue.

A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price (C$)
Balance, December 31, 2023	12,801,893	0.92
Options issued	300,000	1.18
Options exercised	(1,120,000)	0.69
Options expired	(1,040,000)	1.07
Balance, December 31, 2024	10,941,893	0.94
Options expired	(50,000)	1.18
Balance, March 31, 2025	**10,891,893**	**0.94**

The following summarizes information about stock options outstanding as at March 31, 2025:

Exercise prices (C$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.275	786,000	5.23	786,000
0.45	1,575,000	4.25	1,575,000
0.91	1,325,000	6.29	1,325,000
1.00	2,350,000	5.55	2,350,000
1.14	1,745,893	7.17	1,745,893
1.18	3,100,000	3.58	712,500
8.00	10,000	2.36	10,000
	10,891,893	**5.12**	**8,504,393**

Warrants

As at March 31, 2025, a total of 102,377,943 (December 31, 2024 - 102,402,943) warrants were issued and outstanding. A summary of the change in total warrants is presented below:

	Warrants	Weighted average exercise price (C$)
Balance, December 31, 2023	80,634,050	1.06
Warrants issued on Macquarie Financing	26,457,143	1.00
Warrants expired	(4,675,250)	1.69
Warrants exercised	(13,000)	0.90
Balance, December 31, 2024	102,402,943	1.02
Warrants exercised	(25,000)	1.08
Balance, March 31, 2025	**102,377,943**	**1.02**

The following summarizes information about total purchase warrants outstanding as at March 31, 2025:

Exercise prices (C$)	Number of warrants outstanding	Weighted average term to expiry (years)	Number of warrants exercisable
0.90	34,987,000	1.33	34,987,000
1.00	26,457,143	3.75	26,457,143
1.08	34,075,000	0.67	34,075,000
1.40	6,858,800	2.14	6,858,800
	102,377,943	**1.79**	**102,377,943**

Outstanding Equity Data

As of the date of this MD&A, the Company has 257,894,340 Common Shares, 10,771,893 stock options, and 102,377,943 warrants issued and outstanding.

COMMITMENT SUMMARY UPDATE

Capital Commitments

A summary of the Company's estimated capital commitments (in millions of dollars) are as follows:

Block	2025	2026	Total
Sinu-9 Block [(1)]	-	5.4	**5.4**
Tiburon Block [(2)]	3.0	-	**3.0**
Maria Conchita Block [(3)]	5.0	-	**5.0**
Total	**8.0**	**5.4**	**13.4**

1) NG Energy's ANH commitment to carry out the minimum requirement to drill two exploration wells (for which the Company will pay 100% of the costs under the terms of the acquisition of the Sinú-9 Block) for an estimated cost of $22.3 million according to Phase 1 of the contractual exploration program as well as a further ANH commitment to acquire, process, and interpret 60 km^2 of 3D seismic for an estimated cost of $4.4 million assumed by the Company as part of an 18-month extension request granted by the ANH under the current phase of the contractual exploration program. The first exploration well (Magico-1) was completed in August 2022 and drilling of the second exploration well (Brujo-1) was completed in November 2022. The ANH has acknowledged fulfillment of the commitment to drill the two exploration wells as well as most of the associated financial commitment, leaving a remaining financial commitment of $1.0 million to be included as part of the aforementioned seismic commitment or to be added to eventual Phase 2 commitments once commenced. The current deadline for completion of the Phase 1 commitments was extended by the ANH to January 2026.

2) Relates to NG Energy's share of the ANH commitment to carry out the minimum requirement to acquire, process, and interpret 69.75 km^2 of 3D seismic according to Phase 3 of the contractual exploration program. Currently, operations are delayed due to community disputes in the region, with 148 days to fulfil the commitment after the local disputes are resolved and the activities carried out in the previously proposed area. The Company assumes that activities related to the permits for the new seismic survey will commence in 2025 if the dispute is resolved by the Colombian Ministry of the Interior.

3) New ANH commitment to drill one exploration well for an estimated cost of $5.0 million. This new commitment was assumed by the Company as part of an 18-month extension request granted by the ANH under the current phase of the contractual evaluation program. The current deadline for completion of the drilling program is August 2025.

The expenditures provided in the above table only represent the Company's estimated cost to satisfy contract requirements. Actual expenditures to satisfy these commitments, initiate production or create proved plus probable natural gas reserves may differ from these estimates. The expenditures in the above table are based on the latest possible date required per contract and may be incurred at an earlier date.

Contractual Commitments

Natural Gas Transportation Services
In August 2022, the Company entered into a build-own-operate-maintain-transfer agreement (the "**BOOMT**") with GTX International Corp. ("**GTX**") pursuant to which GTX has built and will operate production facilities and pipeline (the "**Pipeline Facilities**") with capacity of 20 MMcf/d that will extend from the Company's Maria Conchita Block in Colombia to existing national infrastructure. The BOOMT Agreement outlines the take-or-pay arrangement ("**ToP**") pursuant to which NG Energy has agreed to transport, or pay for, 16 MMcf/d through the treatment plant and Pipeline Facilities for a period of six years (the "**Guaranteed Commitment**") at a tariff of $0.90/Mcf of gas, which commenced on September 23, 2022. Following the end of the term of the Guaranteed Commitment, the Company will no longer be required to pay for the full capacity of 16 MMcf/d but rather will only pay for that capacity which is used. The BOOMT Agreement has a term of ten years, after which ownership of the Pipeline Facilities will transfer to the Company. The BOOMT Agreement was reviewed as per guidelines in IFRS 16 to determine if it was for financial reporting purposes considered a right-of-use asset and lease liability. It was determined that the agreement met the criteria to be accounted for as a right-of-use asset and lease liability within the Company's Financial Statements.

RELATED PARTIES

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. During the three months ended March 31, 2025 and 2024, there were separate related party transactions as follows:

a) For the three months ended March 31, 2025, the Company incurred expenditures of $252,842 in royalties paid to directors of the Company or to organizations that are affiliated with directors of NG Energy (2024 - $391,216).

b) For the three months ended March 31, 2024, the Company incurred expenditures of $9,906 in office rental costs in Colombia. At the time, the former office space was rented from an entity affiliated with a certain director of the Company.

c) The Company maintains a BOOMT Agreement with service provider, GTX (see above). Of the ownership of GTX, 3.0% is held by directors or affiliates of directors of the Company.

SELECTED QUARTERLY INFORMATION

The following table sets out selected quarterly financial information of NG Energy and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS Accounting Standards.

	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Total revenue	6,420,443	8,711,174	9,059,306	10,201,668
Net loss	(5,835,126)	(7,915,940)	(5,150,087)	(14,308,150)
Comprehensive loss	(5,801,093)	(7,757,628)	(5,450,433)	(14,175,265)
Net loss per share (basic & diluted)	(0.02)	(0.03)	(0.02)	(0.06)

	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Total revenue	10,237,113	4,642,373	2,486,991	2,815,329
Net loss	(26,324,404)	(5,040,567)	(4,919,241)	(2,922,760)
Comprehensive loss	(24,883,061)	(6,346,247)	(3,996,929)	(3,718,115)
Net loss per share (basic & diluted)	(0.18)	(0.04)	(0.04)	(0.02)

Over the past eight quarters, trends in the net losses have been impacted significantly which has caused fluctuations on a quarter-over-quarter basis due to such factors as sales revenue net of royalties and operating costs, costs of debt arrangements, G&A expenses, share-based compensation expense, impairment loss, and fluctuations in exchange rates. Net finance expenses are primarily due to the interest and accretion expense incurred in relation to the Macquarie debt, convertible debentures, and the lease liabilities as well as accretion expense on decommissioning obligations.

The following outlines the significant events over the past eight quarters:

In the first quarter of 2025, the Company had gross natural gas revenue of $6,396,556, NGL revenue of $23,887, royalties of $1,083,765 and operating costs of $3,440,679. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $1,681,621, depletion and depreciation expenses of $1,620,449 and net finance expenses of $3,604,091.

In the fourth quarter of 2024, the Company had gross natural gas revenue of $8,689,238, NGL revenue of $21,936, royalties of $1,567,721 and operating costs of $3,790,449. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $2,790,270, depletion and depreciation expenses of $2,235,081 and net finance expenses of $5,487,673.

In the third quarter of 2024, the Company had gross natural gas revenue of $8,991,219, NGL revenue of $68,087, royalties of $1,528,498 and operating costs of $1,393,909. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $2,952,843, depletion and depreciation expenses of $2,345,250 and net finance expenses of $3,997,521.

In the second quarter of 2024, the Company had gross natural gas revenue of $10,073,586, NGL revenue of $128,082, royalties of $1,629,740 and operating costs of $1,820,928. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $2,322,048, depletion and depreciation expenses of $2,380,015 and net finance expenses of $4,247,700. The Company also incurred one-time impairment loss of $9,679,592. While the Company maintained strong sales revenue in the quarter, the Q2 2024 net loss was significantly affected by the aforementioned one-time impairment loss.

In the first quarter of 2024, the Company had gross natural gas revenue of $10,190,283, NGL revenue of $46,830, royalties of $1,676,048 and operating costs of $1,104,973. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $1,247,704, depletion and depreciation expenses of $2,513,021 and net finance expenses of $3,200,789. The Company also incurred one-time debt settlement costs of $22,927,667 and one-time termination costs of $1,502,000. While the Company realized its best quarter for sales revenue, the aforementioned one-time costs, which related predominantly to the conversion and redemption of convertible debentures in parallel with the Macquarie Financing, greatly impacted the net loss for Q1 2024.

In the fourth quarter of 2023, the Company had gross natural gas revenue of $4,568,843, NGL revenue of $73,530, royalties of $786,420 and operating costs of $1,671,793. Continuing depletion and depreciation expenses, G&A and finance expenses were ongoing factors in the net loss for the quarter. The Company incurred G&A expenses of $1,035,491, depletion and depreciation expenses of $1,419,132 and net finance expenses of $2,833,841. Ongoing G&A consisted of similar wages and salaries, but reduced professional expenses and fees, rent, investor relations, and other expenses when compared to other quarters in 2023.

In the third quarter of 2023, the Company had gross natural gas revenue of $2,430,805, NGL revenue of $56,186, royalties of $428,766 and operating costs of $1,086,477. Increases to depletion and depreciation expenses, G&A and finance expenses also contributed to the quarterly net loss. The Company incurred G&A expenses of $1,608,804, depletion and depreciation expenses of $1,467,066 and net finance expenses of $2,815,506. Increased finance expenses were due to additional interest expense incurred in the quarter in relation to the convertible debentures issued in connection with the May 2023 Offering convertible debentures. The increase to G&A from the last quarter was due to increases in wages and salaries, professional fees and fees, rent, investor relations, and other expenses.

In the second quarter of 2023, the Company had gross natural gas revenue of $2,797,821, NGL revenue of $17,508, royalties of $365,425 and operating costs of $517,599. Increases to depletion and depreciation expenses, G&A and finance expenses also contributed to the quarterly net loss. The Company incurred G&A expenses of $1,459,968, depletion and depreciation expenses of $1,381,924 and net finance expenses of $2,257,721. The increase to G&A from the last quarter was primarily due to increases in wages and salaries and professional fees partially offset by decreases to fees, rent, investor relations, and other expenses.

RECENT ACCOUNTING PRONOUNCEMENTS

Amendments to IAS 1 Presentation of Financial Statements

On January 1, 2024, the Company adopted the issued amendments to IAS 1 Presentation of Financial Statements. The amendments provide additional clarification regarding the presentation of liabilities as current or non-current in the statements of financial position and specify the classification and disclosure of a liability with covenants. The adoption of the issued amendments did not result in a material impact to the Company's consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

IFRS 7 and 9 – Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective January 1, 2026, but are not expected to have a material impact on consolidated financial statements.

USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of the Financial Statements are outlined below.

Significant Judgments in Applying Accounting Policies

The following are the significant judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements:

i) *Identification of cash-generating units*
Natural gas assets and processing facilities are grouped into cash generating units ("**CGUs**") identified as having largely independent cash inflows and are geographically integrated. The determination of the CGUs was based on management's interpretation and judgment. The recoverability of development and production asset

carrying values is assessed at the CGU level. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

ii) Depletion, depreciation and reserves

Depletion is based on the Proved + Probable natural gas reserves as evaluated in accordance with National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") and incorporating the estimated future cost of developing and extracting those. The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates are based on current production forecasts, forecasted natural gas prices and future development costs. As circumstances change and additional data becomes available, reserve estimates may also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions of reserve estimates are often required due to changes in well performance, prices, economic conditions and governmental regulations.

Although every reasonable effort is made to determine that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end natural gas prices and reservoir performance. Such revisions can be either positive or negative. Changes in reserve estimates impact the financial results of the Company as reserves and estimated future development costs are used to calculate depletion.

iii) Impairment of property, plant and equipment and exploration and evaluation assets

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land, transaction values and other relevant assumptions.

iv) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found in assessing economic and technical feasibility.

v) Income taxes

The Company conducts business internationally and therefore is required to comply with tax laws and regulations in various tax jurisdictions. Significant judgment, such as the interpretation of tax laws and regulations in each tax jurisdiction are required by management in determining the income tax balances and disclosures. The Company engages independent third-party tax specialists to assist with the interpretation of international tax laws and regulations.

Additionally, judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

vi) VAT recoverability

Judgment is required by management in evaluating the likelihood of whether or not value added tax ("**VAT**") on purchases is recoverable from the Colombian government.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

i) *Going concern*

Management is required to assess the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management assesses all available information about the future, considering the possible outcomes of events and changes in conditions and the realistically possible responses that are available to such events and conditions. Such available information may include updates to Company forecasts and relevant sensitivities, as considered appropriate, taking into account the risk factors identified and the different possible outcomes. Management also assesses its plans to mitigate events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Ultimately, this requires assumptions that the Company's assessment concludes that its plans are achievable and realistic based on the information available at the time.

ii) *Reserves and resource assessment*

The assessment of reported recoverable quantities of Proved + Probable natural gas reserves and prospective resource estimates include estimates regarding forecasted production volumes, forecasted natural gas commodity prices, operating costs, royalty costs and future development costs. Additional estimates are made in relation to geological and geophysical models in anticipated recoveries. The economical, geological, and technical factors used to estimate Proved + Probable natural gas reserves and prospective resources may change from period to period. Changes in reported Proved + Probable natural gas reserves and prospective resources can impact the carrying values of the Company's natural gas properties and exploration and evaluation assets and equipment, the calculation of depletion and depreciation, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows.

The Company's Proved + Probable natural gas reserves, if any, represent the estimated quantities of natural gas and natural gas liquids which geological, geophysical, and engineering data demonstrate with a specified degree of certainty to be economically recoverable in future years from known reservoirs and which are considered commercially viable. Such Proved + Probable natural gas reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon: (i) a reasonable assessment of the future economics of such production; (ii) a reasonable expectation that there is a market for all or substantially all the expected natural gas production; and (iii) evidence that the necessary production, transmission and transportation facilities are available or can be made available. Proved + Probable natural gas reserves may only be considered proven and probable if the ability to produce is supported by either actual production or conclusive formation tests. Prospective resources are determined using an externally prepared valuation report which reflects estimated prospective resources and external pricing and costs assumptions reflective of the current market. The Company's Proved + Probable natural gas reserves and prospective resources are determined pursuant to NI 51-101.

The Company uses estimated Proved + Probable natural gas reserves to deplete its natural gas assets included in PP&E, to assess for indicators of impairment on the Company's CGU and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGUs and to assess E&E costs for impairment when transferred to PP&E.

iii) *Decommissioning obligations*

The Company estimates future remediation costs of production facilities, wells, and pipelines at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

iv) *Share-based payments*

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates must be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate, and estimated forfeitures at the initial grant date. Share-based payments to non-employees are measured at the date when goods and services are received. Where the fair value of goods and services received cannot be reliably measured, the measure of the goods and services received and the corresponding increase in equity indirectly by reference to the fair value of the equity instruments granted, measured at the date goods are obtained or services rendered. Assessing the fair value based on services rendered are subject to measurement uncertainty given that it is dependent upon obtaining reasonable data as to the value of services rendered or good obtained based on readily available market metrics.

v) *Convertible debentures*

The fair value of the liability component of the convertible debentures utilizes observable market data, including interest rates. As a result of changes in key assumptions, actual amounts may vary significantly from estimated amounts.

vi) *Tax provisions*

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in the period of the change and future periods. In periods of rate change, the Company estimates the period of anticipated reversal of the associated deferred income tax liability to determine the appropriate tax rate to apply to temporary differences. Deferred income tax assets are recognized to the extent future recovery is probable in management's judgment. Deferred income tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered. Deferred income tax liabilities are recognized when it is considered probable that temporary differences will be payable to tax authorities in future periods. Income tax filings are subject to audits and reassessments and changes in facts, circumstances and interpretations of the standards may result in a material increase or decrease in the Company's provision for income taxes.

Risks and Uncertainties

Exploration, development, production of oil and natural gas involves a wide variety of inherent risks because of the geological, social, and economic conditions in the various areas of operation. Therefore, the Company is subject to several financial, operational, and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management, and planning of its facilities, hiring qualified personnel, and developing their skills through training and development programs, these risks cannot be eliminated. Such risks include, but are not limited to:

- risks related to the Common Shares;
- inability to obtain additional capital required to implement business plan; debt matters; operational constraints due to debt;
- rising interest rates;
- limited customer base;
- directors and officers;
- management changes;
- personnel;
- going concern risk;
- dilution;
- internal controls;
- Forward-Looking Statements may prove inaccurate;
- diversification;

- expansion into new activities;
- climate change; physical risks of climate change;
- income taxes;
- cash from subsidiaries;
- pending or future litigation, arbitration and other regulatory proceedings;
- climate change related litigation;
- technology;
- information technology or cybersecurity;
- breach of confidentiality;
- earnings & accounting estimates;
- Shareholder activism; global financial conditions;
- Pandemic risks;
- Russia-Ukraine conflict;
- The Middle East conflict;
- foreign location of assets; foreign current exchange rate fluctuations;
- estimated natural gas resources and reserves are based on assumptions that may prove inaccurate;
- E&P Contracts;
- Volatility of pricing for oil and natural gas;
- inability to market natural gas production and change in natural gas sale prices;
- exploration, production and general operational risk;
- replacement reserves;
- minimum work commitments on exploration blocks;
- competition;
- changing investor sentiment about the oil and natural gas industry;
- weakness in the oil and natural gas industry;
- alternatives to/changing demand for petroleum products;
- reputational risk;
- penalties;
- health, safety and environmental risks;
- environmental regulation and risks;
- natural disaster and weather-related risks;
- joint venture risks;
- gathering and processing facilities and pipeline systems;
- operational risks with pipelines;
- delays in production, marketing and transportation;
- difficulty transporting and distributing production;
- drilling costs and availability of equipment;
- drilling wells could result in liabilities;
- decommissioning costs;
- insurance;
- uninsurable risks;
- inflation and cost management;
- oil and natural gas companies in Colombia do not own any of the oil and natural gas reserves in the country;
- unforeseen title defects;
- seizure or expropriation of assets;
- risks of foreign operations;
- royalty regimes;
- risks associated with geographically concentrated operations;
- oil & natural gas industry in Colombia is less developed; operations in emerging market economic and legal risks;

- economic and political developments in Colombia;
- political uncertainty in Colombia, Canada and elsewhere;
- changes in laws or regulations;
- corruption;
- money laundering and other illegal and improper activities;
- delays in obtaining environmental and other licenses;
- land, communities, prior consultation and zoning restrictions;
- activities in areas classified as Indigenous reserves and Afro-Colombian lands;
- social disruptions and instability;
- sanctions by the U.S. on Colombia; U.S.-Colombia Trade Tensions;
- Canada's relations with Colombia; and
- violence and instability in Colombia.

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline, and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors listed above, which are more specifically described in the Company's AIF, which is available on SEDAR+ at www.sedarplus.ca. Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("**NI 52-109**") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

FINANCIAL AND OTHER INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The carrying amount of cash and cash equivalents, accounts receivable, VAT receivable and restricted cash represent the maximum credit exposure. As at March 31, 2025, the Company had $8,245,738 (December 31, 2024 - $8,211,023) in restricted cash towards development activity and joint operations in Colombia.

As at March 31, 2025, the Company had $6,433,355 (December 31, 2024 - $6,848,896) in accounts receivable, which are substantially made up of receivables with customers in the oil and gas industry and are subject to normal industry credit risks. The Company does not consider any of its receivables past due. For the three months ended March 31, 2025, the majority of the Company's natural gas sales were to four counterparties.

The Company maintained a VAT receivable balance of $2,978,133 as of March 31, 2025 (December 31, 2024 - $2,684,350), which is classified as a non-current asset. The Company considers these VAT balances to be collectible in the future as such VAT amounts will be utilized to offset future VAT charged on sales realized by the Company on future oil and gas production that would otherwise be required to be paid to the Colombian tax authorities.

As at March 31, 2025, the Company held cash and cash equivalents of $16,851,915 (December 31, 2024 - $8,185,473). The Company manages credit exposure related to cash and cash equivalents by ensuring counterparties (e.g., banks) maintain satisfactory credit ratings and monitors all investments to ensure a stable return.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due without incurring unacceptable losses or risking harm to the Company's reputation. The Company's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures, and authorization of contractual agreements. The Company seeks additional financing based on the results of these processes. The budgets are updated when required as conditions change.

The following table outlines the contractual maturities of the Company's financial liabilities at March 31, 2025:

	Within 1 Year	Year 2	Years 3-5	Thereafter	Total
Trade accounts payable	5,744,298	-	-	-	5,744,298
Royalties payable	3,744,477	-	-	-	3,744,477
Capital payables	2,536,074	-	-	-	2,536,074
Joint venture payables	215,463	-	-	-	215,463
Lease obligation payments	6,296,362	6,307,517	9,365,857	-	21,969,736
Convertible debentures - interest	934,725	934,725	129,823	-	1,999,273
Convertible debentures - principal	-	-	11,684,057	-	11,684,057
Macquarie Debt - interest (1)	4,210,701	2,554,701	1,851,374	-	8,616,776
Macquarie Debt - principal	12,000,000	10,750,000	9,250,000	-	32,000,000
	35,682,100	**20,546,943**	**32,281,111**	**-**	**88,510,154**

1) Presumed interest rate of 13.8% over the life of the debt.

Market risk

Market risk is the risk or uncertainty that changes in price, such as commodity prices, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. From time to time, the Company may utilize financial derivative contracts to manage market risks in accordance with the risk management policy that has been approved by the Board of Directors. There were no financial derivative contracts or embedded derivatives outstanding at March 31, 2025 nor were there financial derivative contracts or embedded derivatives outstanding at December 31, 2024.

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for natural gas are affected not only by the United States dollar, but also by world economic events that dictate the levels of supply and demand.

The Company's natural gas revenue is derived from natural gas production on the Maria Conchita block and Sinú-9 block.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. Some of the Company's business transactions and commitments occur in currencies other than US dollars. A portion of the Company's oil and natural gas activities in Colombia transact in Colombian Peso (COP$). In addition, the majority of the Company's financing and a portion of the administrative costs will be based and paid in Canadian dollars and COP$. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between US dollars, COP$ and Canadian dollars.

As at March 31, 2025, the Company had not entered into any foreign currency derivatives to manage its exposure to currency fluctuations, nor were there any foreign currency derivatives as at the previous year ended December 31, 2024.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. Fluctuations of interest rates for the three months ended March 31, 2025 and 2024, did not have a significant impact on cash and cash equivalents. The Company is exposed to movements in assessed prime or SOFR terms rates on the outstanding Macquarie debt. For the outstanding convertible debentures, the Company is not exposed to interest rate risk given this debt instrument has a fixed interest rate.

READER ADVISORIES

Forward-Looking Statements

This MD&A may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, financial projections, capital expenditures and the timing and funding thereof. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan", "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, risks associated with oil and natural gas exploration, development, exploitation, production, marketing and transportation, the volatility of oil and natural gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in oil and natural gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from inability to obtain drilling rigs and other services, labour supply risks, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions, ability to execute farm-in and farm-out opportunities, the risk that Completion of the M&P Transaction may not occur, and other factors, all of which are more fully described under the caption "*Risk Factors*" in the Company's AIF, which is available for review on SEDAR+ at www.sedarplus.ca.

Management believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this MD&A should not be unduly relied upon as the plans, assumptions, intentions, or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this MD&A may contain forward-looking information pertaining to the following:

- the resource potential of the Company's assets;
- the Company's strategy and opportunities;
- performance characteristics of the Company's oil and gas properties and estimated capital commitments and probability of success;
- gas production and recovery estimates and targets;
- the existence and size of gas reserves and resources, if any;
- the Company's drilling plans;
- capital expenditure programs and estimates, including the timing of activity;
- the Company's plans for, and results of, exploration and development, activities, and factors that may affect such activities;
- projections of cash flow, market prices and costs;
- the supply and demand for natural gas and oil;
- expectations regarding the ability to raise equity and debt capital on acceptable terms and to add continually to reserves through acquisitions and development, including the ability to negotiate and complete the agreements contemplated in this MD&A;
- the timing for receipt of regulatory approvals; and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this MD&A is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking information herein is based on certain assumptions and analysis by the management of the Company considering its experience and perception of historical trends, current conditions and expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward-looking information herein is based on several assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures;
- the availability in a cost-efficient manner of equipment and qualified personnel when required,
- continuing favorable relations with Colombian governmental agencies;
- continuing strong demand for natural gas and oil;
- the stability of the regulatory framework governing royalties, taxes and environmental matters in Colombia and any other jurisdiction in which the Company may conduct its business in the future;
- the Company's future ability to market production of natural gas or oil successfully to customers;
- the Company's future production levels and natural gas and oil prices;
- the applicability of technologies for recovery and production of the Company's natural gas reserves or resources, as applicable;
- the existence and recoverability of any gas reserves;
- geological and engineering estimates in respect of the Company's resources and reserves;
- the geography of the areas in which the Company is exploring; and
- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in the MD&A and the risks and uncertainties more specifically described in the Company's AIF, which is available on SEDAR+ at www.sedarplus.ca.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive; there may be other factors that cause actions, events, or results not to be anticipated, estimated or intended. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this MD&A, and the Company does not undertake any obligation to publicly update or revise any forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

To the extent any forward-looking statement in this MD&A constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated use of proceeds as impacted by the commencement of revenue generation, and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks set out above under this "Forward-Looking Statements". The actual financial position and results of operations of the Company may differ materially from management's current expectations and, as a result, the Company's revenue and expenses may differ materially from the revenue and expenses profiles provided in this MD&A. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

Prospective investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this MD&A that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which are available for review under the Company's SEDAR+ profile at www.sedarplus.ca.

Information Regarding the Company's Working Interest Disclosure

With regard to the Company's working interests held in both the Maria Conchita Block and the Sinú-9 Block, the term "working interest" ultimately refers to the rights and obligations agreed to, eventually, materialize a contractual interest in the respective E&P contracts for the blocks before the ANH, subject to the fulfillment of certain conditions. These conditions involve the assumption of financial risks and are generally linked to exploration by virtue of joint operating agreements. Once such conditions are fulfilled, the acquisition of a registered contractual interest, as party of record, in the respective E&P contracts may materialize, by way of a request for approval of assignment before the ANH. For this reason, as is common practice within the oil and natural gas industry as a whole, the disclosed "working interest" may not coincide with the Company's current contractual interest in such E&P contracts.

The assignment and allocation of "working interests" does not affect or undermine, in any way, the rights and obligations of registered parties under the relevant E&P contracts. Registered parties remain wholly and totally liable before the ANH, the Colombian authorities and third parties in connection with any and all obligations, risks and liabilities derived from the execution, performance or termination of E&P contracts. Conversely, the rights and obligations that comprise "working interests" are only enforceable *vis a vis* between the executing parties under private agreements, and have no legal effects before the ANH, the Colombian authorities or third parties.

As of the date hereof, the Company is a party of record and holds a 51% contractual interest, in the Sinú-9 E&P Contract (as such term is defined in the Company's AIF). However, under the private agreements regarding the working interests in the Sinú-9 Block, the Company holds a 72% working interest. This means a 21% working interest is yet to be assigned and acknowledged as a contractual interest in the Sinú-9 E&P Contract, given the conditions to do so, including ANH approval, are yet to be fulfilled. Once these conditions are met, the Company will submit an approval request with ANH. Additionally, Clean remains the operator of record under the Sinú-9 E&P Contract and before the ANH.

With respect to the Maria Conchita Block, the Company holds 100% of the contractual interest as the sole party and operator of record under the Maria Conchita E&P Contract (as such term is defined in the Company's AIF) and holds an 80% working interest under private agreements with third parties.

PRESENTATION OF OIL AND GAS RESERVES, RESOURCES AND PRODUCTION INFORMATION

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of Proved, Probable and Possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates for natural gas liquids ("NGLs") and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed natural gas reserves does not represent the fair market value of these reserves.

Caution Regarding Use of Barrels of Oil Equivalent (BOEs)

BOEs/boes may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Oil and Gas Definitions

Certain terms and abbreviations used in this MD&A, but not defined or described, are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") or the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and, unless the context otherwise requires, shall have the meanings herein as in NI 51-101 or the COGE Handbook.

Abbreviations

$/bbl	*dollars per barrel*
$/boe	*dollars per barrel of oil equivalent*
$/GJ	*dollars per gigajoule*
$/Mcf	*dollars per thousand cubic feet*
bbl	*barrel*
bbl/d	*barrels per day*
bcf	*billion cubic feet*
boe	*barrel of oil equivalent*
boe/d	*barrel of oil equivalent per day*
GJ	*gigajoule*
GJ/d	*gigajoules per day*
km	*kilometer*
Mcf	*thousand cubic feet*
Mcf/d	*thousand cubic feet per day*
Mbbl	*thousand barrels*
MMbbl	*million barrels*
MMboe	*million barrels of oil equivalent*
MMcf	*million cubic feet*
MMcf/d	*million cubic feet per day*
NGLs	*natural gas liquids*
API	*American Petroleum Industry gravity*
m^3	*Cubic meters*
ppm	*parts per million*
psig	*pounds per square in gauge*
NPV_{10}	*Net present value using a 10% forward discount rate*