## (December 2017) Department of the Treasury

## **Report of Organizational Actions Affecting Basis of Securities**

► See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Part I Reporting Issuer 2 Issuer's employer identification number (EIN) Issuer's name 73-1590941 Canvas Energy Inc. 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact (405) 426-4301 osh.kerbo@canvasenergy.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 4700 Gaillardia Parkway, Ste 200 Oklahoma City, OK 73142 9 Classification and description 8 Date of action March 28, 2024 Distribution on common stock 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) Organizational Action Attach additional statements if needed. See back of form for additional guestions. Part II Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On March 28, 2024, Canvas Energy Inc. ("Canvas" or "Issuer") made a cash distribution of \$13.59 per share to common shareholders of record as of March 21, 2024. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per 15 share or as a percentage of old basis ► The distribution per share was \$13.59. \$11.98 per share is estimated to be a taxable dividend (with no effect on tax basis). The remaining \$1.61 per share is treated as a reduction in the stock basis in each share. To the extent the tax basis in a share is less than \$1.61 per share, the excess over the basis in that share is expected to be recognized as capital gain. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► When a cash distribution (or the distribution of property) is made by a corporation, it is treated as a taxable dividend to the extent of the current and accumulate earnings and profits ("E&P") of the corporation at the date of the distribution or, in certain cases, at the end of the tax year in which the distribution was made. In order to determine what portion of this cash distribution should be treated as a taxable dividend versus return of capital/capital gain, Canvas completed an updated computation of E&P as of December 31, 2023, with an estimate of the current year E&P for the year ending December 31, 2024. According to this computation, Canvas had approximately \$11.98 of E&P per outstanding share of stock. As a result, the distribution of \$13.59 per share resulted in a dividend of \$11.98 per share (with no effect on basis) and a reduction in basis of \$1.61 per share.

Part		Organizational Action (contin	nued)		
		applicable Internal Revenue Code se	ection(s) and subsection(s) upon whi	ich the tax treatment is based	<b>d</b> ▶
		Dividend defined			
		Property defined Distribution of property			
		Effect on earnings and profits			
		1.1502-33			
		further defining adjustments to E	&P that are not contained in secti	on 312	
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		resulting loss be recognized? ▶ <u>TI</u>		loss. The reduction to sha	reholders' basis may affect the
amouni	or ga	in or loss realized on the future sa	lie or snares.		
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		any other information necessary to in			
taken ir	ito ac	count in the tax year of the shareh	older during which the distributio	n was received (e.g. 2024 to	or calendar year taxpayers).
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Sign Here		r penalties of perjury, I declare that I have, it is true, correct, and complete. Declara			nts, and to the best of my knowledge and eparer has any knowledge.
	Signa	ture▶ <u>Josh Kerbo</u>		Date ►11/21	/2024
	Print	your name ► <b>Josh Kerbo</b>		Title ► VP, Co	ntroller
Paid Prepa		Print/Type preparer's name	Preparer's signature	Date	Check if self-employed PTIN
		Firm's name ► Deloitte Tax LLP		<u> </u>	Firm's EIN ▶ 86-1065772
Use Only		Firm's address ► 1111 Baby St. Ste	e 4500, Houston, TX 77002		Phone no. <b>713-982-2000</b>