Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)
Canvas Energy Inc.		73-1590941
3 Name of contact for additional information	**4** Telephone No. of contact	**5** Email address of contact
Josh Kerbo	(405) 426-4301	josh.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
8 Date of action	**9** Classification and description	
March 28, 2024	Distribution on common stock	

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 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.

15 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 share or as a percentage of old basis ▶ The distribution per share was $13.59. $12.20 per share is estimated to be a taxable dividend (with no effect on tax basis). The remaining $1.39 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 $1.39 per share, the excess over the basis in that share is expected to be recognized as capital gain.

16 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 $12.20 of E&P per outstanding share of stock. As a result, the distribution of $13.59 per share resulted in a dividend of $12.20 per share (with no effect on basis) and a reduction in basis of $1.39 per share.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 316 - Dividend defined
Section 317 - Property defined
Section 301 - Distribution of property
Section 312 - Effect on earnings and profits
Reg. Section 1.1502-33
Other section further defining adjustments to E&P that are not contained in section 312

18 Can any resulting loss be recognized? ▶ The distribution would not create a loss. The reduction to shareholders' basis may affect the amount of gain or loss realized on the future sale of shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g. 2024 for calendar year taxpayers).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Josh Kerbo Date ▶ 01/06/2025

Print your name ▶ Josh Kerbo Title ▶ VP, Controller

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
William Trey Cornelius		12/27/24		P01516967
Firm's name ▶ Deloitte Tax LLP			Firm's EIN ▶	86-1065772
Firm's address ▶ 1111 Baby St. Ste 4500, Houston, TX 77002			Phone no.	713-982-2000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054