United Hunter Oil & Gas Corp.

Condensed Interim Consolidated Financial Statements
March 31, 2013
(expressed in US dollars)
(unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of United Hunter Oil & Gas Corp. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

United Hunter Oil & Gas Corp.
Consolidated Statements of Financial Position
(expressed in US dollars)

	Notes	As at March 31, 2013 $	As at December 31, 2012 $	As at January 1, 2012
Assets				
Current				
Cash		58,164	103,366	371,599
Accounts receivable		31,984	30,495	90,621
Prepaid expenses		55,949	43,845	145,015
		146,097	177,706	607,235
Investment in Excelaron	4	4,607,865	4,632,489	4,671,778
Investment in Alamo	5	38,151	38,651	56,860
Property, plant and equipment	6	266,599	230,972	717,879
		5,058,712	5,079,818	6,053,752
Liabilities				
Current				
Accounts payable and accrued liabilities		324,807	262,052	260,028
Due to joint venture partner		-	-	25,507
Consideration payable	7	800,000	800,000	800,000
		1,124,807	1,062,052	1,085,535
Decommissioning liabilities		52,803	53,919	52,749
		1,177,610	1,115,971	1,138,284
Shareholders' equity				
Share capital	8	7,923,357	7,923,357	7,519,574
Warrants				403,783
Contributed surplus		2,162,416	2,136,458	1,959,250
Deficit		(6,204,671)	(6,095,967)	(4,967,139)
		3,881,102	3,963,848	4,915,468
		5,058,712	5,079,818	6,053,752
Going-concern	2			

Approved by the Board:

Tim Turner
Director

William Smith
Director

United Hunter Oil & Gas Corp.
Consolidated Statements of Loss and Comprehensive Loss
(expressed in US dollars)

	Notes	3 months ended March 31, 2013 $	2012 $
Revenues			
Oil sales	11	79,350	226,937
Royalties		1,588	-
Net revenues		77,763	226,937
Foreign exchange gain		3,767	5,856
Interest income		-	330
		81,530	233,123
Expenses			
Operating and transportation		22,589	88,946
Depletion	6	37,787	146,541
Impairment losses		-	10,119
Professional fees		9,916	9,990
Salaries and benefits		47,878	141,148
Consulting fees		11,900	11,988
Share-based compensation		25,958	66,403
Premises		-	4,066
General and administrative		2,294	6,720
Public company costs		6,665	9,673
Investor relations		284	4,495
Travel		-	17,604
Equity loss on Excelaron		24,624	49,817
Equity loss on Alamo		500	89
		190,396	567,599
Net loss and comprehensive loss		(108,866)	(334,476)
Basic and diluted loss per share		(0.00)	(0.00)
Weighted average number of shares outstanding - basic and diluted		120,302,722	120,302,722

United Hunter Oil & Gas Corp.
Consolidated Statements of Changes in Equity
(expressed in US dollars)

	Share capital $	Warrants $	Contributed surplus $	Deficit $	Total $
Balance, December 31, 2012	7,923,357	-	2,136,458	(6,095,967)	3,963,848
Share-based compensation	-	-	25,958	-	25,958
Loss	-	-	-	(108,866)	(108,866)
Balance, March 31, 2013	7,923,357	-	2,162,416	(6,204,833)	3,880,940
Balance, December 31, 2011	7,519,574	403,783	1,594,094	(2,177,691)	7,339,760
Share-based compensation	-	-	66,403	-	66,403
Loss	-	-	-	(334,476)	(334,476)
Balance, March 31, 2012	7,519,574	403,783	1,660,497	(2,512,167)	7,071,687

United Hunter Oil & Gas Corp.
Consolidated Statements of Cash Flows
(expressed in US dollars)

	3 months ended March 31, 2013	2012
	$	$
Cash flow from operating activities		
Loss	(108,866)	(334,476)
Items not affecting cash		
Depletion	37,787	146,541
Share-based compensation	25,958	66,403
Equity loss on Excelaron	24,624	-
Equity loss on Alamo	500	-
Changes in non-cash working capital		
Accounts receivable	(1,489)	(21,022)
Due to joint venture partner	-	498
Prepaid expenses	(12,104)	17,525
Accounts payable and accrued liabilities	63,311	(18,332)
Decommissioning liabilities	(1,116)	1,020
	28,606	(141,843)
Cash flow from investing activities		
Investment in Excelaron	-	(40,260)
Property, plant and equipment	(73,808)	(8,024)
	(73,808)	(48,284)
Net change in cash	(45,202)	(190,127)
Cash, beginning of period	103,366	413,967
Cash, end of period	58,164	223,840
Supplementary information		
Interest received	-	330
Interest paid	-	-
Income taxes paid	-	-

United Hunter Oil & Gas Corp.
Notes to Condensed Interim Consolidated Financial Statements
March 31, 2013
(expressed in US dollars)
(unaudited)

1. Nature of operations

United Hunter Oil & Gas Corp. (the "Company") is a public company engaged in the exploration and development of oil and gas properties. The Company owns a 65% indirect joint venture interest in Excelaron, LLC ("Excelaron"), an exploration stage company based in San Luis Obispo, California; a 25% joint venture interest in Alamo Creek Oil LLC ("Alamo"), an exploration stage company based in San Luis Obispo, California; and interests in oil and gas properties in Alberta.

The Company was incorporated under the Business Corporations Act of Ontario on February 22, 2008 and its registered office is located at 181 Bay Street, Suite 1800, Toronto, ON M5J 2T9.

2. Going concern

These interim financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has financed its operations through the issue of equity. At March 31, 2013, the Company had a working capital deficit of $978,711 (December 31, 2012 - $494,959) and for the 3 months ended March 31, 2013, the Company incurred losses of $108,864 (2012 - $334,476) and negative cash flows from operations of $90,064 (2012 - $141,843). The working capital deficiency and losses limit the Company's ability to fund operations and the exploration and development of oil and gas properties. In addition, there is uncertainty whether the Company will secure conditional use permits for its planned exploration and development of the Huasna property and in the event the conditional use permits are secured, the Company is committed to make a payment of $800,000. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continuation of the Company as a going concern is dependent on completing an equity financing and securing conditional use permits for its Huasna property. The Company will work to raise the necessary financing and secure the conditional use permits, but the outcome of these efforts cannot be predicted at this time.

These interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate.

3. Basis of presentation

Statement of compliance
These interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

These interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2012.

These interim financial statements were approved and authorized for issue by the Board of Directors on May 30, 2013.

Changes in accounting standards
On January 1, 2013, the Company adopted the following new standards, amendments to standards and interpretations which are effective for periods beginning on or after January 1, 2013:

- IFRS 10 *Consolidation*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*

- IFRS 13 *Fair Value Measurement*
- IAS 27 *Separate Financial Statements*
- IAS 28 *Investments in Associates and Joint Ventures*

Other than the adoption of IFRS 11, the adoption of these accounting standards had no impact on the consolidated financial statements.

IFRS 11

Joint arrangements
The Company adopted IFRS 11 effective January 1, 2013. This standard replaces IAS 31 I*nterests in Joint Ventures* and SIC 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*.

A joint arrangement is a contractual arrangement that gives two or more parties joint control over the arrangement. Joint arrangements are classified as joint ventures or joint operations.

Joint ventures
A joint venture is a joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is considered to exist when all parties to the joint venture are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint ventures are recognized as an investment and accounted for using the equity method of accounting.

Joint Operations
A joint operation is a joint arrangement where the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, of the arrangement. Interests in joint operations are accounted for by recognizing the party's share of assets, liabilities, revenues, and expenses incurred jointly.

Effect of the standard
The Company has classified its investments in Excelaron LLC and Alamo Creek Oil LLC as joint ventures which are accounted for using the equity method. See note 13.

New standards and interpretations not yet adopted
The following amendment to standards and interpretations is effective for periods beginning on or after January 1, 2015:

IFRS 9, Financial Instruments ("IFRS 9")
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments - Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

Effect of new standards
IFRS 9 is expected to have an effect on the consolidated financial statements of the Company. The Company has not determined the extent of the impact of these standards and does not plan to early adopt these new standards.

4. Investment in Excelaron LLC

The Company holds an indirect 65% joint venture interest in Excelaron, which holds a 100% interest in an oil and natural gas property consisting of 260 acres on the western edge of the Huasna Basin, an existing California Department of Oil, Gas and Geothermal Resources designated oilfield within the Meridian Anticline located in Arroyo Grande, California. Huasna is subject to a 5% assignable gross overriding royalty payable on all amounts received directly or indirectly by the Company that can be attributed to the Company’s 65% joint venture interest in Excelaron.

The planned exploration and development of Huasna requires Excelaron to secure necessary permits from regulatory authorities. On August 21, 2012, the Board of Supervisors of San Luis Obispo County ("County") denied Excelaron's application for conditional use permits. On November 19, 2012, Excelaron filed a petition for writ of mandate, complaint inverse condemnation and damages action ("Petition") in the Superior Court of the State of California, County of San Luis Obispo ("Superior Court") against the County seeking a writ commanding the County to set aside its decision denying Huasna and either approving or remanding Huasna to the Board of Supervisors for further consideration consistent with the Court's opinion on the merits or to recover just compensation for the value of Huasna, as well as reasonable attorney's fees, expenses, and costs of the suit.

On March 18, 2013, the Superior Court ruled to dismiss the Petition. On April 8, 2013, the Company filed an Appeal of the Judgment of Dismissal after an order sustaining a demurrer by the Superior Court of California, County of San Luis Obispo.

	$
Balance, January 1, 2012	4,761,778
Investments	40,260
Equity loss	(192,791)
Balance, December 31, 2012	4,632,489
Equity loss	(24,624)
Balance, March 31, 2013	4,607,865

Summarized financial information

Statements of financial position

	March 31, 2013 $	December 31, 2012 $	January 1, 2012 $
Assets			
Current			
Cash	12,721	47,437	32,125
Accounts receivable	1,411	1,210	1,210
	14,132	48,647	33,335
Exploration and evaluation	1,760,121	1,759,303	1,759,303
Property, plant and equipment	–	–	819
	1,774,253	1,808,769	1,793,457
Liabilities			
Current			
Accounts payable and accrued liabilities	91,720	88,352	131,438
Members' equity			
Share capital	4,130,076	4,136,076	3,780,992
Deficit	(2,453,543)	(2,415,659)	(1,377,333)
	1,682,533	1,720,417	1,080,312
	1,774,253	1,808,769	1,793,457

Statements of loss and comprehensive loss

	3 months ended March 31, 2013 $	2012 $
Expenses		
Professional fees	29,445	8,763
General and administrative	1,218	8,831
Permitting	7,238	32,223
	37,901	49,817
Net loss and comprehensive loss	(37,901)	(49,817)

5. Investment in Alamo Creek Oil LLC

The Company owns a 25% joint venture interest in Alamo Creek Oil LLC (“Alamo”) which has leased 4,068 acres (“Porter Ranch”) adjacent to the Santa Maria Basin, which is south east of the Company's Huasna property. Effective March 31, 2012, the Company declined to pay its share of a cash call and its joint venture interest in Alamo was reduced from 45% to 25%.

	$
Balance, January 1, 2012	49,767
Equity loss	(11,616)
Balance, December 31, 2012	38,651
Equity loss	(500)
Balance, March 31, 2013	38,151

Summarized financial information

Statements of financial position

	March 31, 2013 $	December 31, 2012 $	January 1, 2012 $
Assets			
Current			
Cash	30,488	32,487	47,747
Liabilities			
Current			
Accounts payable and accrued liabilities	21,157	21,157	3,463
Members’ equity			
Share capital	267,316	267,316	159,600
Deficit	(257,985)	(255,987)	(115,315)
	9,331	11,329	44,285
	30,488	32,487	47,747

Statements of loss and comprehensive loss

	3 months ended March 31, 2013 $	2012 $
Expenses		
Professional fees	1,024	–
General and administrative	974	359
	1,998	359
Net loss and comprehensive loss	(1,998)	(359)

6. Property, plant and equipment

Cost

	$
Balance, January 1, 2012	1,663,851
Additions	66,844
Balance, December 31, 2012	1,730,695
Additions	73,808
Balance, March 31 ,2013	1,804,109

Accumulated depletion and impairment losses

	$
Balance, December 31, 2011	945,973
Depletion	528,943
Impairment losses	24,807
Balance, December 31, 2012	1,499,723
Depletion	37,798
Balance, March 31, 2013	1,537,521

Carrying amount

	$
December 31, 2011	717,879
December 31, 2012	230,972
March 31, 2013	267,607

7. Consideration payable

Pursuant to its acquisition of Excelaron, the Company is committed to pay US$800,000 when Excelaron secures its permits for its planned operations on its oil and gas properties. In the event that Excelaron does not secure such permits or the Company does not pay the US$800,000, the Company's 65% Membership Interest in Excelaron will be reduced to a 40% Membership Interest.

8. Share capital

Authorized
An unlimited number of common shares
Unlimited number of preference shares, issuable in series.

Outstanding

	Share capital	
	Number of shares	Amount $
Balance, December 31, 2012 and March 31, 2013	120,302,722	7,923,357

Stock options
Under its stock option plan, the Company may grant options to its employees to acquire up to 10% of the issued and outstanding common shares at the time of the grant. As at March 31, 2013, there were 12,030,272 common shares available for issuance under the stock option plan.

A summary of the Company's stock options is presented below:

	Number of options	Weighted-average exercise price C$
Balance, December 31, 2010	9,775,000	0.15
Granted	1,600,000	0.15
Expired	(1,000,000)	0.15
Balance, December 31, 2011	10,375,000	0.15
Granted	350,000	0.10
Expired	(1,000,000)	0.15
Cancelled	(750,000)	0.15
Balance, December 31, 2012	8,975,000	0.15
Cancelled	(700,000)	0.15
Balance, March 31, 2013	8,275,000	0.15

A summary of the Company's outstanding stock options at March 31, 2013 is presented below:

Exercise price	Expiry date	Options outstanding	Options exercisable
C$0.15	May 12, 2015	5,600,000	5,600,000
C$0.15	July 20, 2015	1,000,000	1,000,000
C$0.15	August 31, 2015	75,000	50,000
C$0.15	January 18, 2016	650,000	650,000
C$0.15	May 5, 2016	250,000	166,667
C$0.15	September 19, 2016	350,000	233,333
C$0.10	September 4, 2017	350,000	116,667
		8,275,000	7,816,667

The weighted average remaining contractual life of outstanding stock options is 2.38 years.

9. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts receivable, accounts payable and accrued liabilities and consideration payable
The fair values of cash, accounts receivable, accounts payable and accrued liabilities and consideration payable are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At March 31, 2013, December 31, 2012 and January 1, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Property, plant and equipment
The Company estimated the VIU to determine the recoverable amounts of the Company's CGUs for impairment testing based on consideration of the following:

- net present value of proved plus probable reserves using a pre-tax discount rate of 10% as determined by independent qualified reserves evaluators;
- management's estimate of the fair value of undeveloped land; and
- a review of the values indicated by the metrics of recent market transactions of similar assets within the oil and gas industry.

The market value of other items of property, plant and equipment is based on the quoted market prices for similar items.

Share-based payments
Share-based payments are measured using a Black-Scholes option pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility of securities of comparable companies), weighted average expected life and forfeiture rate (both based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in 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

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities and consideration payable approximate fair value due to their short-term nature.

10. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. 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 is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances and receivables. The maximum exposure to credit risk is equal to the balances of cash and receivables.

The Company's limits its exposure to credit risk on its cash by holding its cash balances in deposits with a high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. The amounts for accounts payable and accrued liabilities and consideration payable are due in less than one year.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the US dollar, the Company's functional currency. As at March 31, 2013, the Company had the following monetary assets and liabilities denominated in Canadian dollars:

	C$
Assets	
Cash	59,092
Accounts receivable	32,494
	91,586
Liabilities	
Accounts payable and accrued liabilities	329,937
	(238,352)

As at March 31, 2013, a 5% change in the exchange rate between the US dollar and Canadian dollar would have resulted in an impact on operations of $11,918.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, warrants, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop oil and gas properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

11. Revenues

For the 3 months ended March 31, 2013, revenues of $79,250 (2012 - $226,937) were derived from one external customer.

12. Related party transactions

	3 months ended March 31,	
	2013	**2012**
	$	**$**
Legal fees		
Payable to a firm, of which, a former director is a partner	–	10,000
Salaries		
Paid to a person related to a director for administration services	–	8,991

These transactions were in the normal course of business.

Compensation of key management personnel
The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	3 months ended March 31,	
	2013	**2012**
	$	**$**
Salaries	47,878	116,881
Share-based payments, representing amortization of share-based compensation	19,745	47,377
	67,623	164,258

13. Transition to IFRS 11

Effective January 1, 2013, the Company adopted IFRS11 *Joint Arrangements* ("IFRS11") which replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers.* The most significant result from the adoption is the change in the method of accounting for the Company's investments in Excelaron and Alamo. Under the previous standards, Excelaron and Alamo were proportionately consolidated whereas under IFRS11 the Company is required to account for the investment using the equity method of accounting. In accordance with the transition requirements, the initial equity investment is measured as the aggregate of the carrying amount of the assets and liabilities that the Company had previously proportionately consolidated as at the beginning of the immediately preceding period, January 1, 2012.

Reconciliation of the Company's consolidated statements of financial position, consolidated statements of comprehensive income, and consolidated statements of cash flow have been provided to reflect the new standards and amendments. The following reconciliations have been provided:

(i) Reconciliation of consolidated statement of financial position as at December 31, 2012 and January 1, 2012.
(ii) Reconciliation of consolidated statement of comprehensive income for the 3 months ended March 31, 2012 and the year ended December 31, 2012.

Reconciliation of Consolidated Statement of Financial Position at December 31, 2012

	Reported $	Effect of transition to IFRS 11 $	Adjusted $
Assets			
Current			
Cash	142,322	(38,956)	103,366
Accounts receivable	31,281	(786)	30,495
Prepaid expenses	43,846	–	43,846
	217,449	(39,742)	177,706
Investment in Excelaron	–	4,632,489	4,632,489
Investment in Alamo	–	38,651	38,651
Exploration and evaluation	4,727,088	(4,727,088)	–
Property, plant and equipment	230,972	–	230,972
	5,175,509	(95,690)	5,079,818
Liabilities			
Current			
Accounts payable and accrued liabilities	324,770	(62,718)	262,052
Consideration payable	800,000	–	800,000
	1,124,770	(62,718)	1,062,052
Decommissioning liabilities	53,919	–	53,919
	1,178,689	(62,718)	1,115,970
Shareholders' equity			
Share capital	7,923,357	–	7,923,357
Contributed surplus	2,136,458	–	2,136,458
Deficit	(6,062,995)	(32,972)	(6,095,967)
	3,996,820	(32,972)	3,963,848
	5,175,509	(29,746)	5,079,818

Reconciliation of Consolidated Statement of Financial Position at January 1, 2012

	Reported $	Effect of transition to IFRS 11 $	Adjusted $
Assets			
Current			
Cash	413,967	(42,367)	371,599
Accounts receivable	118,587	(27,966)	90,621
Prepaid expenses	145,015	–	145,015
	677,569	(70,334)	607,235
Investment in Excelaron LLC	–	4,671,778	4,671,778
Investment in Alamo Creek Oil LLC	–	56,860	56,860
Exploration and evaluation	4,745,297	(4,745,297)	–
Property, plant and equipment	717,879	–	717,879
	6,140,745	(86,993)	6,053,752
Liabilities			
Current			
Accounts payable and accrued liabilities	347,021	(86,993)	260,028
Due to joint venture partner	25,507	–	25,507
Consideration payable	800,000	–	800,000
	1,172,528	(86,993)	1,085,535
Decommissioning liabilities	52,749	–	52,749
	1,225,277	(86,993)	1,138,284
Shareholders' equity			
Share capital	7,519,574	–	7,519,574
Warrants	403,783	–	403,783
Contributed surplus	1,959,250	–	1,959,250
Deficit	(4,967,139)	–	(4,967,139)
	4,915,468	–	4,915,468
	6,140,745	(86,993)	6,053,752

Reconciliation of Consolidated Statement of Loss and Comprehensive Loss for the year ended December 31, 2012

	Reported $	Effect of transition to IFRS 11 $	Adjusted $
Revenues			
Oil sales	729,463	–	729,463
Royalties	14,590	–	14,590
Net revenues	714,874	–	714,874
Foreign exchange gain	5,058	–	5,058
Interest income	348	(17)	331
	720,280	(17)	720,263
Expenses			
Operating and transportation	198,554	–	198,554
Depletion	528,943	–	528,943
Impairment losses	24,807	–	24,807
Professional fees	169,420	(64,455)	104,964
Salaries	387,154	–	387,154
Consulting fees	61,049	–	61,049
Stock-based compensation	177,208	–	177,208
Premises	2,550	(2,340)	210
General and administrative	82,084	(9,990)	72,093
Public company costs	33,693	–	33,693
Investor relations	29,698	(22,192)	7,506
Travel	38,241	–	38,241
Permitting	105,445	(105,447)	–
Gain on reduction in joint venture interest	(32,972)	32,972	–
Other loss	10,206	–	10,206
Equity loss in Excelaron	–	192,791	192,791
Equity loss in Alamo	–	11,616	11,616
	1,816,136	32,955	1,849,035
Net loss and comprehensive loss	(1,095,856)	32,972	(1,128,775)

Reconciliation of Consolidated Statement of Loss and Comprehensive Loss for the 3 months ended March 31, 2012

	Reported $	Effect of transition to IFRS 11 $	Adjusted $
Revenues			
Oil sales	226,927	–	226,927
Royalties		–	–
Net revenues	226,927	–	226,927
Foreign exchange gain	5,928	(72)	5,856
Interest income	342	(12)	330
	233,197	(84)	233,113
Expenses			
Operating and transportation	88,946	–	88,946
Depletion	146,541	–	146,541
Impairment losses	10,119	–	10,119
Professional fees	18,753	(8,763)	9,990
Salaries	141,148	–	141,148
Consulting fees	11,988	–	11,988
Stock-based compensation	66,403	–	66,403
Premises	5,236	(1,170)	4,066
General and administrative	7,100	(380)	6,720
Public company costs	9,673	–	9,673
Investor relations	11,947	(7,452)	4,495
Travel	17,604	–	17,604
Permitting	32,226	(32,226)	-
Loss on reduction in joint venture interest	44,000	–	44,000
Equity loss in Excelaron		(49,817)	49,817
Equity loss in Alamo		(89)	89
	611,684	(84)	611,599
Net loss and comprehensive loss	(378,487)	–	(378,487)