JURA ENERGY CORPORATION
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2015 and 2014

Jura Energy Corporation
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2015

	Note	September 30, 2015 US$	December 31, 2014 US$
ASSETS			
Current assets			
Cash and cash equivalents		278,995	147,476
Accounts and other receivables	6	9,821,257	2,074,798
		10,100,252	**2,222,274**
Non-current assets			
Property, plant and equipment	7	43,536,294	45,164,043
Exploration and evaluation assets	8	11,717,142	10,997,779
Intangible assets		33,119	44,582
Long term receivables		161,018	148,969
		55,447,573	**56,355,373**
Total assets		**65,547,825**	**58,577,647**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		13,096,534	6,681,751
Borrowings	9	13,412,504	13,137,256
		26,509,038	**19,819,007**
Non-current liabilities			
Borrowings	9	4,242,159	4,833,505
Assets retirement obligation	10	2,413,048	2,374,970
		6,655,207	**7,208,475**
Total liabilities		**33,164,245**	**27,027,482**
Shareholders' equity			
Share capital	11	65,203,045	65,203,045
Contributed surplus		338,623	323,752
Warrants		117,672	117,672
Accumulated deficit		(33,275,760)	(34,094,304)
Total shareholders' equity		**32,383,580**	**31,550,165**
Total equity and liabilities		**65,547,825**	**58,577,647**
Going concern	2		
Contingencies and commitments	12		

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Signed"	*"Signed"*
Shahid Hameed	*Stephen C. Smith*
Interim CEO and Director	*Director*

Jura Energy Corporation
Condensed Consolidated Interim Statements of Comprehensive Income / (loss)
For the three and nine months ended September 30, 2015 and 2014

	Note	Three months ended		Nine months ended	
		September 30, 2015 US$	September 30, 2014 US$	September 30, 2015 US$	September 30, 2014 US$
Net revenue		2,222,534	462,126	6,978,330	1,172,459
Cost of production	13	(1,489,140)	(352,730)	(4,459,687)	(968,604)
Gross profit		**733,394**	**109,396**	**2,518,643**	**203,855**
Administrative expenses	14	(667,006)	(527,270)	(1,999,674)	(1,785,327)
Exploration and evaluation costs written-off			(12,561)	-	(24,351)
Other income		-	-	-	7,490
Operating profit / (loss)		**66,388**	**(430,435)**	**518,969**	**(1,598,333)**
Finance income	15	770,902	399,980	1,394,084	289,422
Finance costs	16	(305,263)	(233,957)	(1,094,509)	(533,080)
Profit / (loss) before income tax		**532,027**	**(264,412)**	**818,544**	**(1,841,991)**
Income tax expense		-	-	-	-
Total comprehensive income / (loss) for the period		**532,027**	**(264,412)**	**818,544**	**(1,841,991)**
Earnings / (loss) per share - basic and diluted (US$ per share)	17	0.01	(0.00)	0.01	(0.02)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Jura Energy Corporation
Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended September 30, 2015 and 2014

	September 30, 2015 US$	September 30, 2014 US$
Cash flow from operating activities		
Profit / (loss) for the period	818,544	(1,841,991)
Adjustments for:		
Depletion, depreciation and amortization	2,639,917	761,239
Accrued finance costs	947,114	529,040
Stock based compensation	14,871	56,387
Exploration and evaluation assets written-off	-	24,351
Unrealized exchange gain on borrowings	(1,309,321)	(309,282)
Gain on fair valuation of embedded derivative	-	(7,490)
	3,111,125	(787,746)
Changes in working capital		
Increase in accounts and other receivables	(7,746,459)	(505,566)
Increase in accounts payable and accrued liabilities	5,213,302	1,300,536
Net cash generated from operating activities	**577,968**	**7,224**
Cash flow from investing activities		
Property plant and equipment	(400,615)	(987,487)
Exploration and evaluation assets	(117,972)	(2,220,588)
Change in long term receivables	(12,049)	1,212,239
Net cash used in investing activities	**(530,636)**	**(1,995,836)**
Cash flow from financing activities		
Proceeds from borrowings	1,314,378	2,845,004
Repayment of borrowings	(745,464)	(507,506)
Finance costs paid	(484,727)	(220,000)
Net cash generated from financing activities	**84,187**	**2,117,498**
Net increase in cash and cash equivalents	131,519	128,886
Cash and cash equivalents at beginning of period	147,476	429,484
Cash and cash equivalents at end of period	**278,995**	**558,370**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Jura Energy Corporation
Condensed Consolidated Interim Statements of Changes in Equity
For the nine months ended September 30, 2015 and 2014

	No of shares	Share Capital US$	Accumulated deficit US$	Contributed surplus US$	Warrants US$	Total US$
Balance at January 1, 2014	69,076,328	65,203,045	(30,642,643)	283,151	117,672	34,961,225
Net loss for the period	-	-	(1,841,991)	-	-	(1,841,991)
Stock based compensation for the period	-	-	-	56,387	-	56,387
Balance at September 30, 2014	**69,076,328**	**65,203,045**	**(32,484,634)**	**339,538**	**117,672**	**33,175,621**
Balance at January 1, 2015	69,076,328	65,203,045	(34,094,304)	323,752	117,672	31,550,165
Net profit for the period	-	-	818,544	-	-	818,544
Stock based compensation for the period	-	-	-	14,871	-	14,871
Balance at September 30, 2015	**69,076,328**	**65,203,045**	**(33,275,760)**	**338,623**	**117,672**	**32,383,580**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Company and its operations

Jura Energy Corporation ("the Company or JEC") is listed on the Toronto Stock Exchange and trades under the symbol "JEC". The registered office of Jura Energy Corporation is located at Suite 5100, 150 – 6thAvenue SW, Calgary, T2P 3Y7, Alberta, Canada. These condensed consolidated interim financial statements include financial statements of JEC, and its wholly owned subsidiaries Spud Energy Pty Limited ("SEPL"), Frontier Acquisition Company Limited ("FAC") and Frontier Holdings Limited ("FHL").

These condensed consolidated interim financial statements were approved and authorized for issue by the Company's board of directors on November 12, 2015.

2. Going concern

Management has prepared these condensed consolidated interim financial statements in accordance with IFRS applicable to a going concern, which contemplates that assets will be realized and liabilities will be discharged in the normal course of business as they become due. The Company has a working capital deficiency of US$ 16.4 million at September 30, 2015 (December 31, 2014: US$ 17.5 million). The Company has reported a net profit of US$ 0.8 million, for the nine months ended September 30, 2015, and has a current accumulated deficit of US$ 33.3 million (December 31, 2014 US$ 34.1 million) due to incurrence of continued losses up to its prior fiscal year ended December 31, 2014. For the nine months ended September 30, 2015 the Company reported positive cash flows from operations of US$ 0.6 million (September 30, 2014: US$ 0.01 million). In addition to its ongoing working capital requirements, the Company also has financial commitments as at September 30, 2015 that amounted to US$ 9.2 million (December 31, 2014 US$ 6.4 million) *(See "Commitments- Note 12.2").* Additional cash resources will be required to exploit the Company's petroleum and natural gas properties. Further, FHL is a defendant in an arbitration proceedings lodged against it by Petroleum Exploration (Private) Limited *(See "Contingencies- Note 12.1")*. These material uncertainties raise significant doubt as to the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The uncertainties include the outcome of pending litigation, the need for additional cash resources to fund its existing operations and for the development of its properties, economic dependence on its joint venture partners and the current economic and political conditions in Pakistan.

To date, all exploration, development and other operational activities of the Company have been funded by the internal cash generation from its producing fields, equity and debt issuances, funding by a shareholder, and by farm-out through which a third party reimbursed the Company for a portion of its historical costs and will pay a portion of the Company's future capital expenditures to earn a portion of the Company's working interest in its properties.

On February 20, 2013, SEPL entered into an unsecured bridge loan financing arrangement of C$ 11 million with its majority shareholder, Eastern Petroleum Limited ("EPL"), *(See "Borrowings- Note 9").* The loan carries interest at the rate of 3 months US$ LIBOR + 4% compounded quarterly. Further, EPL also has a right to convert each C$ 1 of outstanding principal and accrued interest thereon into one common share of the Company. As at September 30, 2015, the Company has completely utilized this financing arrangement. The loan was due for repayment on demand after February 20, 2015 ("the maturity date"). However, EPL has provided an undertaking to the Company, pursuant to which, EPL shall not demand repayment of the principal amount and accrued interest thereon after the maturity date, unless the Company has sufficient funds to repay, in EPL's reasonable judgment, or the Company closes a qualifying financing.

Management is currently evaluating and pursuing other funding alternatives, including debt financing, and new equity issuances to fund the Company's ongoing operations. The Company's access to sufficient capital will impact its ability to complete its planned exploration and development activities. However, there can be no assurance that the steps management is taking will be successful.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS, as applicable to the interim financial reports including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2014 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

4. Significant accounting policies

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended December 31, 2014, except as described below:

Reclassification of condensed consolidated statements of cash flows

Certain amounts in prior period have been reclassified to conform to the current period's presentation. Changes in working capital related to capital expenditure, amounting to US$ 6,780,444, are presented on a net basis within the property plant and equipment expenditure and exploration and evaluation expenditure in the condensed consolidated interim statements of cash flows rather than such changes being presented as part of changes in working capital. This change in classification does not materially affect previously reported net cash flows used in operating and investing activities in the condensed consolidated interim statements of cash flows, and had no effect on the previously reported condensed consolidated interim statement of financial position and condensed consolidated interim statement comprehensive income / (loss).

5. Critical accounting estimates and judgements

The preparation of these condensed consolidated interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such estimates and judgments are continually evaluated and are based on historic experience including expectation of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in the preparation of these condensed consolidated interim financial statements are the same as those used in the preparation of Company's consolidated annual audited financial statements for the year ended December 31, 2014.

6. Accounts and other receivables

	Note	September 30, 2015	December 31, 2014
		US$	US$
Trade receivables		9,508,497	1,811,542
Due from Energy Exploration Limited ("EEL")	6.1	818,218	818,218
Prepayments		102,022	52,596
Other receivables		210,738	210,660
		10,639,475	**2,893,016**
Provision for impairment	6.1	(818,218)	(818,218)
		9,821,257	**2,074,798**

6.1 This represents receivable against expenses recharged and payments made on behalf of EEL. The balance is receivable on demand and carries no interest. EEL holds 11% and 12% working interests in the Sanjawi and

Zamzama North exploration licenses respectively for the benefit of SEPL pursuant to a trust arrangement. However, owing to expiry of the term of Zamzama North exploration license and force majeure declaration by the operator in the Sanjawi exploration license, the Company has fully provided for the balance receivable from EEL.

7. **Property, plant and equipment**	**Oil and gas properties**	**Computer equipment**	**Furniture and fixtures**	**Office equipment**	**Motor vehicles**	**Total**
			US$			
Cost	46,961,216	86,109	13,886	25,074	74,218	47,160,503
Accumulated depletion / depreciation	(1,862,638)	(73,678)	(10,714)	(22,217)	(27,213)	(1,996,460)
Opening net book value	**45,098,578**	**12,431**	**3,172**	**2,857**	**47,005**	**45,164,043**
Period ended September 30, 2015						
Additions during the period – **note 7.1**	611,573	3,276	-	284	-	615,133
Transfer from exploration and evaluation assets	385,572	-	-	-	-	385,572
Depletion / depreciation for the period	(2,604,845)	(9,137)	(996)	(2,344)	(11,132)	(2,628,454)
Carrying amount at September 30, 2015	**43,490,878**	**6,570**	**2,176**	**797**	**35,873**	**43,536,294**
Cost	47,958,361	89,385	13,886	25,358	74,218	48,161,208
Accumulated depletion / depreciation	(4,467,483)	(82,815)	(11,710)	(24,561)	(38,345)	(4,624,914)
Net book value at September 30, 2015	**43,490,878**	**6,570**	**2,176**	**797**	**35,873**	**43,536,294**
Cost	36,519,183	86,109	13,886	25,074	74,218	36,718,470
Accumulated depletion / depreciation	(566,144)	(59,402)	(8,423)	(18,290)	(12,370)	(664,629)
Opening net book value	**35,953,039**	**26,707**	**5,463**	**6,784**	**61,848**	**36,053,841**
Year ended December 31, 2014						
Additions during the year – **note 7.1**	8,780,577	-	-	-	-	8,780,577
Transfer from exploration and evaluation assets	943,018	-	-	-	-	943,018
Revision in estimate of asset retirement obligation	718,438	-	-	-	-	718,438
Depletion / depreciation for the year	(1,296,494)	(14,276)	(2,291)	(3,927)	(14,843)	(1,331,831)
Carrying amount at December 31, 2014	**45,098,578**	**12,431**	**3,172**	**2,857**	**47,005**	**45,164,043**
Cost	46,961,216	86,109	13,886	25,074	74,218	47,160,503
Accumulated depletion / depreciation	(1,862,638)	(73,678)	(10,714)	(22,217)	(27,213)	(1,996,460)
Net book value at December 31, 2014	**45,098,578**	**12,431**	**3,172**	**2,857**	**47,005**	**45,164,043**
Annual rate of depreciation (%)		33.33%	20.00%	33.33%	20.00%	

7.1 Additions during the period include borrowing costs amounting to US$ Nil (December 31, 2014: US$ 206,201).

8.	Exploration and evaluation assets	Note	September 30, 2015	December 31, 2014
			US$	**US$**
	Balance at beginning of the period / year		10,997,779	9,449,865
	Additions during the period / year		1,104,935	2,451,234
	Transferred to property, plant and equipment		(385,572)	(943,018)
	Revision in estimate of asset retirement obligation		-	101,868
	Exploration and evaluation assets written off during the period / year		-	(62,170)
	Carrying amount at end of period / year		**11,717,142**	**10,997,779**

9. Borrowings

	Note	September 30, 2015	December 31, 2014
Non-current			
Bank borrowings	9.1	246,063	980,969
Subordinated debentures	9.2	3,996,096	3,852,536
		4,242,159	**4,833,505**
Current			
Bank borrowings	9.1	965,328	1,013,367
Running finance facility	9.1	1,951,664	1,839,169
Shareholder loans	9.3	10,495,512	10,284,720
		13,412,504	**13,137,256**
Total borrowings		**17,654,663**	**17,970,761**

9.1 These represent secured borrowings from JS Bank Limited, a related party, of PKR 400 million (US$ 3.9 million) comprised of: (a) PKR 200 million in term finance at an interest rate equal to 3-month KIBOR plus 2%, maturing in two years and (b) PKR 200 million in renewable running finance at an interest rate equal to 3-month KIBOR plus 2%, maturing in one year. The principal of the term finance facility is repayable in eight equal quarterly installments in arrears, commencing three months after the date of disbursement. The term finance was disbursed in November 2014.

These facilities are secured by way of first charge on the fixed assets, assignment of receivables arising on account of gas sales from Badar, Reti, Maru and Maru South and Zarghun South leases and corporate guarantee of JEC.

9.2 On May 24, 2013 the Company completed the private placement of 4,000 subscription units. Each unit comprised of a debenture of US$ 1,000 carrying interest at the rate of 11% per annum and 200 warrants exercisable at a price of C$ 0.36 per common share of the Company. As a consideration of successful placement of subscription units, the Company's advisor was granted 50,000 warrants and paid a cash success fee. Interest is payable in arrears in equal semi-annual payments on April 30 and on October 30 each year. The repayment of debentures will fall due on April 30, 2018 or an earlier date at the option of the Company.

The financing comprises of two components: (i) subordinated debentures and (ii) warrants of US$ 117,672 representing the right of debenture holders to acquire JEC's shares. The subordinated debentures have been accounted for using the amortized cost method and share purchase warrants have been accounted for at fair value on the closing date i.e. May 24, 2013, determined using the Black Scholes Option Pricing Model. The share purchase warrants will expire on April 30, 2018. The assumptions used in the calculation of fair value of US$ 0.14 per share purchase warrants are:

Risk-free interest rate (%)	1.14
Expected life (years)	4.94
Estimated volatility of underlying common shares (%)	70.00

9.3 Shareholder loans

	Note	September 30, 2015 US$	December 31, 2014 US$
Current account with shareholder	9.4	1,868,013	1,868,013
Bridge loan payable to shareholder	9.5	8,627,499	8,416,707
		10,495,512	**10,284,720**

9.4 This represents unsecured funds received from the majority shareholder, EPL, to finance the business operations of the Company. The balance is payable on demand and does not carry any interest.

9.5 On February 20, 2013, SEPL entered into an unsecured bridge loan financing arrangement of C$ 11 million with the majority shareholder of the Company, EPL. The principal and accrued interest outstanding at any time, will bear interest at the rate of 3-months US$ LIBOR plus 4% compounded quarterly. The facility is due for repayment on demand. Further, EPL has the option to convert, in whole or in part, the principal and accrued interest under the facility for a subscription of JEC shares, on the basis of one JEC share for each C$1.00 so converted ("the Conversion Option") subject to the restriction that, during any six month period, the aggregate number of JEC shares issuable to EPL under the conversion option may not exceed 10% of the number of JEC shares outstanding, on a non-diluted basis, prior to the date of the first conversion.

At September 30, 2015, the loan comprises of two components: (i) the host agreement and (ii) the embedded derivative representing the written option to EPL to convert the loan amount into JEC shares. The host agreement has been accounted for using the amortized cost method and the embedded derivative has been accounted for at fair value determined using the Black Scholes Option Pricing Model. The fair value of the embedded derivative at September 30, 2015 was Nil (December 31, 2014: Nil).

10. Assets retirement obligation

	September 30, 2015 US$	December 31, 2014 US$
Balance at beginning of the period / year	2,374,970	1,507,683
Additions / revisions due to change in estimates	-	820,306
Asset retirement obligation incurred during the year	-	(20,865)
Accretion on asset retirement obligation	38,078	67,846
Carrying amount at end of the period / year	**2,413,048**	**2,374,970**

11. Share capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. The preferred shares may be issued in one or more series, with rights and privileges for each series as determined by the board of directors.

Stock options

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. The options generally vest over a period of up to three years and expire no more than 5 years from the date of grant.

On May 4, 2015, the Company granted 50,000 options with an exercise price of C$ 1 to one of its directors. The weighted average fair value of stock options granted was US$ 0.20 per stock option as at May 4, 2015 using the Black Scholes Pricing Model.

The assumptions used in the calculations are:	May 4, 2015
Risk-free interest rate (%)	0.88
Expected life (years)	5.00
Estimated volatility of underlying common shares (%)	166.00
Forfeiture rate (%)	0.00

	Nine months ended September 30, 2015		Year ended December 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	2,368,294	C$ 0.84	2,943,294	C$0.79
Granted	50,000	C$ 1.00	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(575,000)	C$ 0.60
Options outstanding, end of period	2,418,294	C$ 0.84	2,368,294	C$ 0.84
Options exercisable, end of period	2,384,960	C$ 0.84	1,813,042	C$ 0.79

Price	Number outstanding	Weighted average remaining contractual life (years)	Exercisable
C$ 0.109	1,665,764	2.49	1,665,764
C$ 0.145	487,500	0.23	487,500
C$ 0.232	215,030	0.23	215,030
C$ 0.202	50,000	4.60	16,666
C$ 0.109 – C$ 0.232	2,418,294	1.88	2,384,960

Stock-based compensation and contributed surplus

During the three and nine months ended September 30, 2015 stock-based compensation of US$ 1,263 and US$ 14,871 (three and nine months ended September 30, 2014: US$ 8,055 and US$ 56,387) was charged to the consolidated statement of comprehensive income / (loss).

12. Contingencies and commitments

12.1 There has been no material change in contingencies as disclosed in the latest consolidated annual audited financial statements of the Company except for the following:

Contingency for litigation

From time to time, the Company may become involved in legal or administrative proceedings in the normal conduct of business. In May 2015, FHL, a wholly owned subsidiary of JEC, became a party to arbitration proceedings brought by Petroleum Exploration (Private) Limited ("PEL") under the International Chamber of Commerce Rules for Arbitration and governed by English law. Under English law, arbitration proceedings are by their nature confidential and therefore the parties are restricted as to what public disclosures they can make about the proceedings. However, FHL is able to confirm that the proceedings relate to the scope of an area of mutual interest ("AMI") provision contained in the Kandra Farm-In Agreement made between PEL and FHL in April 2006. PEL asserts that it is entitled to participate (up to a 50% share) in working interests held by SEPL at the time of the reverse takeover completed on July 11, 2012 pursuant to the acquisition agreement, as amended, between the Company and Eastern Petroleum Limited entered into and announced by news release on November 23, 2011, and any other working interests acquired after that date. The price PEL would have to pay to participate in those interests has not yet been pleaded in detail. FHL disputes PEL's claims and will vigorously defend the arbitration.

12.2 Commitments

	Note	September 30, 2015 US$	December 31, 2014 US$
Minimum capital commitments related to exploration licenses	12.3	4,099,250	4,419,050
Commitments under approved authority for expenditures		4,896,996	1,767,285
Commitment under sale purchase agreement for the acquisition of EEL		1,000	1,000
Commitment under operating leases			
- Not later than one year		81,725	103,521
- Later than one year and less than five years		99,501	92,258
		9,178,472	**6,383,114**

12.3 Breakdown of minimum capital commitments related to exploration licenses:

	2015 US$	2016 US$	2017 US$	Total US$
Sanjawi	668,250	94,500	1,755,000	2,517,750
Zamzama North	1,224,000	-	-	1,224,000
Badin IV North	357,500	-	-	357,500
Total	**2,249,750**	**94,500**	**1,755,000**	**4,099,250**

13. Cost of production

	Three months ended		Nine months ended	
	September 30, 2015 US$	September 30, 2014 US$	September 30, 2015 US$	September 30, 2014 US$
Production costs	647,167	90,708	1,854,842	245,174
Depletion of oil and gas properties	841,973	262,022	2,604,845	723,430
	1,489,140	**352,730**	**4,459,687**	**968,604**

14. Administrative expenses

Employees benefits	329,291	291,721	963,741	675,596
Directors' compensation	25,940	37,046	89,710	140,698
Amortization and depreciation	11,354	12,392	35,071	37,811
Legal and professional services	51,670	14,011	180,089	224,384
Travelling expenses	34,049	8,472	122,528	87,262
Consultancy	117,327	47,872	356,059	252,465
Other expenses	97,375	115,756	252,476	367,111
	667,006	**527,270**	**1,999,674**	**1,785,327**

15. Finance Income

This represents net unrealized exchange gain on retranslation of foreign currency denominated balances at reporting date exchange rate.

16. Finance costs		Three months ended September 30, 2015 US$	Three months ended September 30, 2014 US$	Nine months ended September 30, 2015 US$	Nine months ended September 30, 2014 US$
Interest on borrowings		292,569	216,996	899,016	478,155
Accretion on asset retirement obligation		12,694	16,961	38,078	50,885
Net exchange loss		-	-	-	4,040
Finance costs others		-	-	157,415	-
		305,263	**233,957**	**1,094,509**	**533,080**
17. Earnings / (loss) per share					
Net profit / (loss) for the period - US$		532,027	(264,412)	818,544	(1,841,991)
Weighted average number of outstanding shares	17.1	69,076,328	69,076,328	69,076,328	69,076,328
Earnings / (loss) per share - basic and diluted - US$ per share		0.01	(0.00)	0.01	(0.02)

17.1 For the three and nine months ended September 30, 2015, employee stock options (2,418,294), stock option under shareholder loans (6,907,632) and share purchase warrants (850,000) were excluded from the calculation of weighted average number of outstanding shares, as they would be anti-dilutive.

18. Financial risk management

18.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosure required in the annual financial statements; they should be read in conjunction with the Company's consolidated annual audited financial statements for the year ended December 31, 2014. There has been no change in the risk management policies since December 31, 2014.

18.2 Fair value of financial assets and liabilities

The analysis of financial instruments carried at fair value, by valuation method is described below. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The carrying values of all other financial assets and liabilities approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Fair value of embedded derivative on Shareholder loan has calculated using Level 2 valuation method.

19. Transactions with related parties

The Company's related parties with significant transactions during the nine months ended September 30, 2015 include its majority shareholder, EPL, JS Bank Limited, an associated Company and key management personnel. Related parties and their relationship are as follows:

Majority Shareholder
- Eastern Petroleum Limited

Wholly owned subsidiaries
- Spud Energy Pty Limited
- Frontier Acquisition Company Limited
- Frontier Holdings Limited
- 1428112 Alberta Limited
- 4515226 Canada Inc.
- Onni Wilson Avenue Development Limited Partnership
- Onni Elmbridge Development Limited Partnership
- Onni The Point Development Limited Partnership
- Onni IOCO Road One Development Limited

Associated entity
- JS Bank Limited

Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. The Company's key management includes its Interim Chief Executive Officer, Chief Financial Officer and its directors.

Transactions with related parties other than those which have been disclosed elsewhere in the financial statements are:

	September 30, 2015 US$	**December 31, 2014 US$**
Transactions with majority shareholder – EPL		
Balance payable at beginning of the period / year	10,284,720	7,952,646
Loan received during the period / year net of embedded derivative	1,200,000	3,057,514
Loan repaid during the period / year	-	(500,000)
Interest accrued on loan from shareholder	258,324	390,935
Exchange gain on retranslation of shareholder loan	(1,247,532)	(608,869)
Amount paid on behalf of EPL during the period / year	-	(7,506)
Balance payable at end of the period / year	**10,495,512**	**10,284,720**
Transactions with Associated entity - JS Bank Limited		
Balance payable at beginning of the period / year	3,833,505	-
Loan received during the period / year	114,378	3,717,218
Loan repaid during the period / year	(745,464)	-
Interest accrued during the period / year	287,152	50,223
Interest paid during the period / year	(264,727)	-
Exchange (gain) / loss on retranslation of loan	(61,789)	66,064
Balance payable at end of the period / year	**3,163,055**	**3,833,505**

	Three months ended		Nine months ended	
	September 30, 2015 US$	September 30, 2014 US$	September 30, 2015 US$	September 30, 2014 US$
Key management personnel compensation				
Management salaries and benefits	100,783	139,077	302,349	314,483
Management stock based compensation	-	4,106	1,597	18,476
Directors' fees and compensation	25,940	46,889	89,710	164,011
	126,723	**190,072**	**393,656**	**496,970**

20. Operating segment information

Management has determined the operating segments based on the information that is presented to the Company's board of directors for allocation of resources and assessment of performance. The Company is organized into two operating segments based on geography i.e. Oil and gas operations in Pakistan ("Pakistan") and Corporate activities in Canada ("Canada").

The Pakistan segment derives its revenue primarily from the sale of petroleum products in Pakistan. During the three and nine months ended September 30, 2015, the Pakistan segment had three customers, Sui Northern Gas Pipelines Limited ("SNGPL"), Engro Fertilizers Limited ("Engro") and Sui Southern Gas Company Limited ("SSGCL"), to whom all the gas from Badar, Reti, Maru and Maru South and Zarghun South are sold. SNGPL and SSGCL are state owned entities and Engro is a large publicly-listed company.

The condensate production from Zarghun South is sold to three oil refineries namely Pakistan Refinery Limited ("PRL"), National Refinery Limited "(NRL") and PakArab Refinery Limited ("PARCO"). PRL and NRL are large publicly-listed companies and PARCO is a joint venture of Government of Pakistan and UAE.

Percentage breakup of gas sales to SNGPL, Engro and SSGCL and condensate sales to PRL, NRL and PARCO for the three and nine months ended September 30, 2015 and 2014 and trade receivables at September 30, 2015 and December 31, 2014 are as follows:

	Three months ended		Nine months ended	
	September 30, 2015 US$	September 30, 2014 US$	September 30, 2015 US$	September 30, 2014 US$
Gas sales				
SNGPL	4.43%	21.00%	4.16%	26.00%
Engro	14.49%	54.00%	12.36%	64.00%
SSGCL	81.08%	25.00%	83.48%	10.00%
	100.00%	100.00%	100.00%	100.00%
Condensate sales				
PRL	26.49%	-	20.38%	-
NRL	23.52%	-	40.94%	-
PARCO	49.99%	-	38.68%	-
	100.00%	-	100.00%	-

Trade receivables	**September 30, 2015**	**December 31, 2014**
Engro	3.20%	16.00%
SSGCL	94.38%	76.00%
Others	2.42%	8.00%

The Canada segment does not have any revenue generating operations.

The Company's board of directors monitors the results of the above mentioned segments for the purpose of making decisions about the resources to be allocated and for assessing performance based on historical results and the purpose of their existence. The segment information for the reportable segments is as follows:

	For the three months ended September 30, 2015			For the nine months ended September 30, 2015		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	-------------------------US$---------------------------					
Net revenue	-	2,222,534	2,222,534	-	6,978,330	6,978,330
Cost of production	-	(1,489,140)	(1,489,140)	-	(4,459,687)	(4,459,687)
Gross profit	**-**	**733,394**	**733,394**	**-**	**2,518,643**	**2,518,643**
Administrative expenses	(111,775)	(555,231)	(667,006)	(349,177)	(1,650,497)	(1,999,674)
Operating profit / (loss)	**(111,775)**	**178,163**	**66,388**	**(349,177)**	**868,146**	**518,969**
Finance income		770,902	770,902	16,369	1,377,715	1,394,084
Finance costs	(118,218)	(187,045)	(305,263)	(363,560)	(730,949)	(1,094,509)
Net profit / (loss)	**(229,993)**	**762,020**	**532,027**	**(696,368)**	**1,514,912**	**818,544**
Additions to property, plant and equipment	-	123,457	123,457	-	615,133	615,133
Additions to exploration and evaluation assets	-	143,847	143,847	-	1,104,935	1,104,935
				As at September 30, 2015		
Segment assets				46,719	65,501,106	65,547,825
Segment liabilities				3,996,096	29,168,149	33,164,245

	For the three months ended September 30, 2014			For the nine months ended September 30, 2014		
	Canada	Pakistan	Consolidated	Canada	Pakistan	Consolidated
	-------------------------US$---------------------------					
Net revenue	-	462,126	462,126	-	1,172,459	1,172,459
Cost of production	-	(352,730)	(352,730)	-	(968,604)	(968,604)
Gross profit	**-**	**109,396**	**109,396**	**-**	**203,855**	**203,855**
Administrative expenses	(137,910)	(389,360)	(527,270)	(463,496)	(1,321,831)	(1,785,327)
Exploration and evaluation costs written off	-	(12,561)	(12,561)	-	(24,351)	(24,351)
Other income	-	-	-	-	7,490	7,490
Operating loss	**(137,910)**	**(292,525)**	**(430,435)**	**(463,496)**	**(1,134,837)**	**(1,598,333)**
Finance income	2,444	397,536	399,980	2,444	286,978	289,422
Finance costs	(117,824)	(116,133)	(233,957)	(366,414)	(166,666)	(533,080)
Net loss for the period	**(253,290)**	**(11,122)**	**(264,412)**	**(827,466)**	**(1,014,525)**	**(1,841,991)**
Additions to property, plant and equipment	-	3,875,860	3,875,860	-	7,974,132	7,974,132
Additions to exploration and evaluation assets	-	39,502	39,502	-	2,220,588	2,220,588
				As at September 30, 2014		
Segment assets				121,064	56,795,528	56,916,592
Segment liabilities				4,155,920	19,585,051	23,740,971