



**Anterra Energy Inc.
Condensed Interim
Financial Statements
FOR THE THREE MONTHS ENDED March 31, 2014**

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of Anterra Energy Inc. (the "Company") have been prepared by and are the responsibility of the management of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ANTERRA ENERGY INC

Statements of Financial Position (Unaudited)

		March 31, 2014	December 31 2013
	Note		
Assets			
Trade and other receivables		\$ 3,936,716	\$ 2,968,038
Deposits and prepaid expenses		907,508	888,909
		4,844,224	3,856,947
Property, plant and equipment	6	71,836,739	72,625,940
Evaluation and exploration assets	7	386,667	386,667
		\$ 77,067,630	\$ 76,869,554
Liabilities			
Bank debt	8	\$ 12,608,497	\$ 14,014,704
Trade and other payables		5,425,450	3,528,084
		18,033,947	17,542,788
Decommissioning liabilities	9	21,659,813	22,152,634
Convertible debenture	10	3,519,834	3,489,507
		43,213,594	43,184,929
Equity			
Share capital	11	46,706,177	46,706,177
Equity component of convertible debenture	10	454,895	454,895
Contributed surplus		2,882,545	2,880,793
Deficit		(16,189,581)	(16,357,240)
		33,854,036	33,684,625
		\$ 77,067,630	\$ 76,869,554

See accompanying notes to financial statements.

ANTERRA ENERGY INC

Statements of Income and Comprehensive Income (Unaudited)

For the periods ended March 31,		2014	2013
	Notes		
Revenue			
Production and processing		\$ 6,596,524	\$ 2,527,899
Royalties		(1,268,410)	(243,124)
		5,328,114	2,284,775
Expenses			
Production and operating		2,771,477	967,385
Transportation		252,724	133,755
Depletion, depreciation and amortization	6	1,047,390	609,317
General and administrative		741,359	595,296
Transaction fee		-	205,130
Share-based payments		1,752	11,301
Gain on business combination	4	-	(1,192,666)
Finance expense	12	345,753	103,657
		5,160,455	1,433,175
Income before income tax		167,659	851,600
Deferred income tax (recovery)	13	-	(76,389)
Net Income and comprehensive income		167,659	927,989
Income per share			
Basic and diluted	14	\$ 0.000	\$ 0.002

See accompanying notes to financial statements

ANTERRA ENERGY INC

Statements of Changes in Equity (Unaudited)

	Note	Share Capital	Convertible Debenture Equity Component	Contributed Surplus	Accumulated Deficit	Total Equity
Balance, January 1, 2013		\$ 31,110,546	\$ -	\$ 2,830,727	\$ (9,254,459)	\$ 24,686,814
Share based payments		-	-	11,301	-	11,301
Terrex acquisition	4	2,356,213	-	-	-	2,356,213
Issuance of convertible debenture	10	-	454,895	-	-	454,895
Income for the period		-	-	-	927,989	927,989
Balance, March 31, 2013		\$ 33,466,759	\$ 454,895	\$ 2,842,028	\$ (8,326,470)	\$ 28,437,212
Balance, January 1, 2014		\$46,706,177	\$ 454,895	\$2,880,793	(\$16,357,240)	\$33,684,625
Share based payments		-	-	1,752	-	1,752
Income for the period					167,659	167,659
Balance, March 31, 2014		\$46,706,177	\$ 454,895	\$2,882,545	(\$16,189,581)	\$33,854,036

See accompanying notes to financial statements

ANTERRA ENERGY INC

Statements of Cash Flows
(Unaudited)

For the periods ended March 31,		2014	2013
Operating activities:			
	Note		
Income for the period		\$ 167,659	\$ 927,989
Adjustments for:			
Depletion, depreciation and amortization	6	1,047,390	609,317
Accretion	12	175,762	34,206
Share based payments		1,752	11,301
Deferred income tax (recovery)		-	(76,389)
Gain on business combination	4	-	(1,192,666)
Decommissioning expenditure	9	(150,904)	-
Change in non-cash working capital	15	612,367	1,103,177
Cash provided by operating activities		\$ 1,854,026	\$ 1,416,935
Investing activities:			
Property, plant and equipment expenditures		(745,541)	(96,988)
Additions to evaluation and exploration assets		-	33,613
Business combinations	4	-	54,539
Cash used to settle Sandstorm obligation		-	(3,467,502)
Change in non-cash working capital			
Change in non-cash working capital	15	297,722	(1,932,616)
Cash used in investing activities		\$ (447,819)	\$ (5,408,954)
Financing activities:			
Net proceeds from issue of shares		-	-
Proceeds from (repayment of) bank debt		(1,406,207)	3,992,019
Cash provided by (used in) financing activities		(1,406,207)	3,992,019
Change in cash and cash equivalents		\$ -	\$ -
Cash and cash equivalents, beginning of period		\$ -	\$ -
Cash and cash equivalents, end of period		\$ -	\$ -

See accompanying notes to financial statements

ANTERRA ENERGY INC

Notes to Financial Statements

For the three months ended March 31, 2014 and 2013
(tabular amounts are in Canadian dollars except share and per share information)
(Unaudited)

1. Reporting entity:

Anterra Energy Inc. ("Anterra" or the "Company") is engaged in the acquisition, exploration, development and production of oil and natural gas from properties in western Canada. The Company's common shares are listed and trade on the TSX Venture Exchange under the symbol AE.A. The Company's head office is located at 1420, 1122 4th Street SW, Calgary, Alberta T2R 1M1 and its registered office is located at 3700, 400 - 3rd Avenue SW Calgary, Alberta T2P 4H2.

Effective January 1, 2014, the Company and its wholly owned subsidiary, Terrex Energy Inc. amalgamated pursuant to the laws of the Province of Alberta. The Amalgamated entity continued as Anterra energy Inc.

The Company has two reportable operating segments and a corporate segment. The oil and gas production segment explores for, develops and produces oil and gas. The midstream processing segment provides processing and disposal services to the oil and gas industry.

2. Basis of presentation:

These condensed interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These financial statements do not include all the necessary annual disclosures as prescribed by International Financial Reporting Standards ("IFRS") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013. The Company's accounting policies are unchanged from December 31, 2013 except as noted below. The use of estimates and judgments is also consistent with the December 31, 2013 financial statements. The financial statements were authorized for issuance by the Company's Board of Directors on May 28, 2014.

The financial statements have been prepared on the historical cost basis and are presented in Canadian dollars which is the Company's functional currency.

3. New Accounting Standards

The IASB issued International Financial Reporting Interpretations Committee Interpretation ("IFRIC") 21, "Levies" which was adopted by the Company on January 1, 2014. The IFRIC clarifies that an entity should recognize a liability for a levy when the activity that triggers payment occurs. The adoption of this interpretation had no impact on the Company's consolidated financial statements.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

IAS 32, "Financial Instruments: Presentation", which clarifies the requirements for offsetting financial assets and liabilities. The amendments clarify when an entity has a legally enforceable right to offset and certain other requirements that are necessary to present a net financial asset or liability. There was no impact to us on adoption of this standard.

4. Business Combinations:

(a). Terrex Energy Inc., corporate acquisition

On March 14, 2013, the Company purchased 100% of the issued and outstanding shares of Terrex Energy Inc. ("Terrex"), a public junior oil and gas company, for a total consideration of \$2,067,885 comprised 31,813,614 Class A common shares of Anterra and 5,150,000 warrants to purchase 1,581,050 Class A common shares (the "Acquisition"). The warrants to purchase 967,050 Class A shares expired on August 21, 2013 and warrants to purchase 614,000 Class A shares will expire on July 15, 2015 and have an exercise price of \$1.00 and \$0.60 respectively. No value has been attributed to the warrants.

Concurrently with the Acquisition, 1,866,560 Anterra shares were issued to individuals pursuant to the settlement of personnel obligations. The purpose of the Acquisition was to increase the Company's presence and size in the Western Canadian Sedimentary Basin, and provide the Company with additional development opportunities and operating synergies. The value of common shares issued as consideration was determined in reference to the share price of a material third party private placement of Class A common shares which closed on April 5, 2013. The purchase was accounted for as a business combination using the acquisition method of accounting under IFRS 3.

Estimated fair value of the net assets of Terrex:	Total
Petroleum and natural gas properties	\$ 16,830,283
Deferred income tax asset	1,274,413
Net working capital(1)	(493,153)
Inter-company payable	(7,755,830)
Decommissioning liability	(6,595,162)
Gain on business combination	(1,192,666)
Total net assets acquired	\$ 2,067,885

Consideration	
Class A common shares (31,813,614 shares at \$0.065 per share)	\$ 2,067,885

(1) Includes \$54,539 of cash and cash equivalents

The recognized amount of identifiable assets and liabilities assumed are best estimates by Anterra's management. The fair value assigned to petroleum and natural gas properties is based upon evaluations prepared by independent reserve evaluators and other market considerations. The value assigned to the deferred income tax asset is based upon accumulated non-capital losses

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

and is limited to the deferred income tax liability previously recognized by the Company. The fair value of petroleum and natural gas properties and the deferred income tax asset gave rise to the gain on purchase.

Immediately prior to and in connection with the Acquisition, Terrex and Anterra entered into a settlement agreement (the "Agreement") with Sandstorm Metals and Energy Ltd. and 0905896 BC Ltd. (collectively, "Sandstorm"). Pursuant to the Agreement, the obligations of Terrex, under a hydro carbon purchase agreement dated March 18, 2011 were terminated in exchange for \$3 million cash, funded by Anterra, the delivery of certain equipment from Terrex having a value of \$3 million, and the issuance by Anterra of a \$4 million principal amount, 6%, 5 year secured convertible debenture (note 14), the issuance of 3 million Anterra Shares, and the issuance of 20,801,303 Terrex Shares which were exchanged for approximately 6.4 million Anterra shares under the Acquisition. The inter-company payable amount reflects amounts advanced by Anterra to Terrex to facilitate the Agreement.

5. Segmented Financial Information:

For the three months ended March 31, 2014	Oil and Gas Production	Midstream Processing	Corporate Segment	Eliminations	Total
Revenue	\$ 5,715,660	\$ 892,909	\$ -	\$ (12,045)	\$ 6,596,524
Royalties	(1,268,410)	-	-	-	(1,268,410)
	4,447,250	892,909	-	(12,045)	5,328,114
Production and operating expenses	2,381,964	401,558	-	(12,045)	2,771,477
Transportation	252,724	-	-	-	252,724
Depletion, depreciation and amortization	1,025,878	21,512	-	-	1,047,390
General and administrative expenses	624,771	116,588	-	-	741,359
Share-based payments	-	-	1,752	-	1,752
Finance expense	139,034	6,401	200,318	-	345,753
Net income (loss)	\$ 22,879	\$ 346,850	\$ (202,070)	-	\$ 167,659
Capital expenditures:					
Exploration and evaluation assets	\$ -	\$ -	\$ -	\$ -	\$ -
Property, plant and equipment	701,871	43,670	-	-	745,541
	\$ 701,871	\$ 43,670	\$ -	\$ -	\$ 745,541
Total Assets	\$ 69,122,298	\$ 3,101,108	\$4,844,224	\$ -	\$77,067,630

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013

(tabular amounts are Canadian dollars except share and per share information)

(Unaudited)

5. Segmented Financial Information, continued;

For the three months ended March 31, 2013	Oil and Gas Production	Midstream Processing	Corporate Segment	Eliminations	Total
Revenue	\$ 1,796,950	\$ 764,336	-	\$ (33,387)	\$ 2,527,899
Royalties	(243,124)	-	-	-	(243,124)
	1,553,826	764,336	-	(33,387)	2,284,775
Production and operating expenses	868,910	265,617	-	(33,387)	1,101,140
Depletion, depreciation and amortization	576,950	32,214	153	-	609,317
General and administrative expenses	294,182	245,614	55,500	-	595,296
Transaction Fee	205,130	-	-	-	205,130
Share-based payments	-	-	11,301	-	11,301
Gain on business combination	(1,192,666)	-	-	-	(1,192,666)
Finance expense	-	-	103,657	-	103,657
Deferred income tax expense (recovery)	(49,326)	(24,263)	(2,800)	-	(76,389)
Net income(loss)	\$ 850,646	\$ 245,154	\$ (167,811)	\$ -	927,989
Capital expenditures:					
Exploration and evaluation assets Disposals	\$ (33,613)	\$ -	\$ -	\$ -	\$ (33,613)
Property, plant and equipment	62,033	34,955	-	-	96,988
	\$ 95,646	\$ 34,955	\$ -	\$ -	63,375
Total Assets	\$ 53,280,123	\$ 1,123,818	\$3,164,685	\$ -	\$57,568,626

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

6. Property, plant and equipment:

	Petroleum and natural gas properties \$	Processing facilities and other \$	Total \$
Cost			
Balance at January 1, 2013 (restated)	42,787,582	3,852,230	46,639,812
Additions	2,068,234	1,380,957	3,449,191
Nipisi acquisition	17,088,757	-	17,088,757
Terrex acquisition	16,830,283	-	16,830,283
Decommissioning provisions	(891,943)	102,943	(789,000)
Balance at December 31, 2013	77,882,913	5,336,130	83,219,043
Additions	701,871	43,670	745,541
Decommissioning provisions	(469,941)	(17,411)	(487,352)
Balance at March 31, 2014	78,114,843	5,362,389	83,477,232
Depletion, depreciation and impairment			
Balance at January 1, 2013	4,630,921	2,066,796	6,697,717
Depletion for the year	2,623,313	172,973	2,796,286
Impairment for the year	1,099,100	-	1,099,100
Balance at December 31, 2013	8,353,334	2,239,769	10,593,103
Depletion for the year	1,025,878	21,512	1,047,390
Balance at March 31, 2014	9,379,212	2,261,281	11,640,493
Net book value			
Balance at December 31, 2013	69,529,579	3,096,361	72,625,940
Balance at March 31, 2014	68,735,631	3,101,108	71,836,739

Future development costs totaling \$34,581,998 (2013 - \$38,570,000) are included in the depletion calculation. Personnel expenses of \$50,712 (2013 - \$46,225) directly attributed to capital activities were capitalized in property, plant and equipment for the three months ended March 31, 2014.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

7. Evaluation and exploration assets:

Balance, January 1, 2013	4,547,147
Additions	651
Exploration and evaluation expense	(4,161,131)
Balance, March 31, 2014 and December 31, 2013	\$ 386,667

Exploration and evaluation (E&E) assets consist of the Company's exploration projects which are pending the determination of proven or probable reserves. Additions represent costs incurred on E&E assets during the year.

8. Bank debt:

	March 31, 2014	December 31, 2013
Authorized	\$13,800,000	\$15,000,000
Outstanding	\$12,608,497	\$14,014,704

Bank indebtedness is comprised of a revolving, operating, demand loan credit facility bearing interest at the bank prime plus 0.75% (2013 - prime rate 0.75%), with an effective rate at March 31, 2014 of 3.75% (March 31, 2013 - 3.75%). The facility is secured by a first floating charge debenture in the amount of \$35 million over all assets of the Company. Under its Credit Facility Agreement, the Company is required to maintain an adjusted working capital ratio, after adding the unused portion of the revolving demand loan facility and excluding outstanding debt under the facility, of not less than 1:1. As at March 31, 2014 the adjusted working capital ratio was 1:1.1 and the Company was in compliance with this covenant.

Pursuant to the conditions of the facility and an amendment dated March 19, 2014, the authorized amount of the facility was reduced to \$13,800,000 pending completion of the annual review scheduled for May, 2014. The review is ongoing and a decrease in the borrowing base could result in a reduction of the credit facility which may require a repayment to the lender.

In addition to the revolving operating loan, the Company has an authorized non-revolving acquisition/development demand loan facility in the amount of \$7 million. No amount has been drawn on the non-revolving facility.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

9. Decommissioning liabilities:

Balance at January 1, 2013	\$ 10,673,673
Changes to estimate	(789,000)
Obligation acquired	11,858,189
Accretion expense	409,772
Balance, December 31, 2013	\$ 22,152,634
Changes to estimate	(487,352)
Obligation settled	(150,904)
Accretion expense	145,435
Balance, March 31, 2014	\$ 21,659,813

The Company's decommissioning liability results from its ownership interest in petroleum and natural gas assets including well sites, gathering systems and processing and production facilities, all of which will require future expenditures for decommissioning under existing legislation.

The Company has estimated the net present value of the decommissioning obligations to be \$21,659,813 at March 31, 2014 (December 31, 2013- \$22,152,634) based on an undiscounted total future liability of \$23,975,656 (December 31, 2013 - \$23,975,656). These expenditures are expected to be incurred over the next 25 years with the majority of costs to be incurred between 2015 and 2025. A risk free rate of 2.70% (2013 – 2.61%) and an inflation factor of 2% were used to determine the decommissioning liability at March 31, 2014.

10. Convertible debenture:

6% redeemable convertible debenture

March 31	2014	2013
6% redeemable convertible debenture, at face value	\$4,000,000	\$4,000,000
Equity component, before deferred income taxes	(606,526)	(606,526)
Accretion	126,360	-
Balance	\$3,519,384	\$3,393,474

On March 14, 2013, immediately prior to and in connection with the acquisition of Terrex (note 4, Business Combination), the Company issued a \$4 million principal amount convertible debenture as partial settlement of a hydrocarbon purchase agreement between Terrex and Sandstorm. The debenture bears interest at 6% payable semi-annually with the principal repayable on March 14, 2018; the debenture is secured, subordinate to the bank credit facility, by a floating charge on the property and assets of the Company.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013

(tabular amounts are Canadian dollars except share and per share information)

(Unaudited)

At the option of the holder on 20 days' notice, the debenture is convertible, in whole or in part at any time, into common shares of the Company at a price of \$0.10 per share. The debenture is redeemable, in whole or in part at any time, by the Company on 30 days' notice.

The debenture was initially recorded at its principal amount net of an equity component valued at \$606,526 (\$454,895 after deferred income tax) attributable to the holder's option to convert the debt into common shares.

11. Share capital:

Authorized

Unlimited Class A voting shares without par value

Unlimited preferred shares, issuable in series, rights and privileges to be determined on issue

Issued and Outstanding		Class A Shares	Warrants	\$
Balance, January 1, 2013		246,438,032	-	31,110,546
Acquisition	(a)(b)	36,680,174	5,150,000	2,356,213
Expired	(b)	-	(3,150,000)	-
Private placement	(c)	107,692,308	1,000,000	6,619,750
Private placement	(d)	106,060,606	1,000,000	6,619,668
Balance, March 31, 2014 and December 31, 2013		496,871,120	4,000,000	46,706,177

- (a) On March 14, 2013, a total of 36,680,174 shares were issued on the Terrex Acquisition: 31,813,614 shares were issued to Terrex shareholders in exchange for all Terrex shares; 3,000,000 shares were issued to Sandstorm directly pursuant to the Sandstorm Settlement Agreement; and 1,866,560 shares were issued to individuals directly pursuant to the settlement of personnel obligations.
- (b) On March 14, 2013, a total of 5,150,000 warrants for the acquisition of a total of 1,581,050 Anterra Class A shares were issued in relation to the Terrex Acquisition: warrants to purchase 967,050 shares at a price of \$1.001 expired on August 21, 2013 and warrants to purchase 614,000 shares at a price of \$0.603 per share will expire on July 15, 2015. No value has been attributed to the warrants.
- (c) On April 5, 2013, pursuant to a private placement, the Company issued 107,692,308 Class A common shares, at a price of \$0.065 per share, to LandOcean Resource Investment Canada Co. Ltd. for gross proceeds of \$7 million. The Company paid a cash fee of \$350,000 and issued 1,000,000 common shares purchase warrants relating to the private placement. Each

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013

(tabular amounts are Canadian dollars except share and per share information)

(Unaudited)

warrant entitles the holder to acquire one common share at a price of \$0.10 per share. The warrants will expire on April 4, 2015.

- (d) On August 26, 2013, pursuant to a private placement, the Company issued 106,060,606 Class A common shares at a price of \$0.066 per share, to Huisheng Group Co. Ltd. ("Huisheng") for gross proceeds of \$7 million. The Company paid a cash fee of \$350,000 and issued 1,000,000 common shares purchase warrants relating to the private placement. Each warrant entitles the holder to acquire one common share at a price of \$0.10 per share. The warrants will expire on August 21, 2015.

12. Finance income and expenses:

	2014	2013
Finance income:		
Interest income on bank deposits	\$ (215)	\$ (213)
Financial expenses:		
Interest on bank debt	110,206	59,664
Interest on debenture	60,000	10,000
Accretion of debenture	30,327	-
Accretion of decommissioning liabilities	145,435	34,206
	345,968	103,870
Net finance expense	\$ 345,753	\$ 103,657

13. Income taxes

To December 31, 2013, the Company had accumulated non-capital losses of approximately \$30 million. The losses expire between 2023 and 2033 and are available to offset future taxable income. Income taxes that would otherwise have been payable on taxable income for the three month period ended March 31, 2014 have been recovered through the utilization of available non-capital losses.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013
(tabular amounts are Canadian dollars except share and per share information)
(Unaudited)

14. Per share amounts:

Basic income per share were calculated as follows:

	2014	2013
Income for the period	\$ 167,659	\$ 927,989
Weighted average number of common shares (Basic and Diluted)	496,871,120	253,366,509

The effect of outstanding options, warrants and convertible instruments is non-dilutive.

15. Supplemental cash flow information:

Changes in non-cash working capital is comprised of

	2014	2013
Source/ (use) of cash:		
Trade and other receivables	\$ (968,678)	\$ 747,827
Deposit and prepaid expenses	(18,599)	1,642
Trade and other payables	1,897,366	(1,575,624)
	\$ 910,089	\$ (829,439)
Related to operating activities	\$ 612,367	\$ 1,103,177
Related to investing activities	\$ 297,722	\$ (1,932,616)
	\$ 910,089	\$ 829,439

16. Related party transactions:

The Company had the following related party transactions:

(a) LandOcean Energy Services Co., Ltd. ("LandOcean Services") currently holds approximately 21.7% of the issued and outstanding Class A common shares of Anterra through its subsidiary, LandOcean Resources Investment Canada Co., Ltd. On April 8, 2013, the Company entered into an agreement ("the Agreement") with LandOcean Services whereby LandOcean Services will provide Anterra with long-term technical consulting services including integrated reservoir studies, exploitation evaluations, and production planning for existing properties and acquisition projects through to the end of 2014.

ANTERRA ENERGY INC.

For the three months ended March 31, 2014 and 2013

(tabular amounts are Canadian dollars except share and per share information)

(Unaudited)

Pursuant to the Agreement, LandOcean Services will earn total compensation of \$1,949,600 for technical services through to the end of 2014 of which \$976,880 has been earned to March 31, 2014. The Company charges technical costs incurred under the agreement to petroleum and natural gas properties. Additionally, under the agreement, \$50,000 for travel, communication and management costs, under the terms of the agreement, were paid and expensed during 2013. At March 31, 2014, \$392,000 was payable to the related party in relation to the Agreement.

(b) During the three months ended March 31, 2014, a consulting company, to which an officer of Anterra is related, charged the Company \$19,290(2013 - \$19,290) for consulting services. At March 31, 2014, \$6,340 was payable in relation to services provided.

(c) On April 10, 2014, the Company engaged Western Union Petro (Canada) Technology Co. Ltd. a wholly owned subsidiary of LandOcean Energy Services Co., Ltd. for the completion of an initial stage of a waterflood project at Strathmore. Total cost of the project is estimated to be \$1,695,650 including equipment purchases and installation. Work on the project commenced subsequent to the end of the first quarter of 2014.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, established and agreed to by the related parties.