Anterra Energy Inc.
Condensed Interim
Financial Statements
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016

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 Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

ANTERRA ENERGY INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	Note	**June 30, 2016**	December 31, 2015
Assets			
Current			
Cash		**$ 1,037,039**	$ -
Trade and other receivables		**1,705,998**	1,690,088
Deposits and prepaid expenses		**1,148,803**	825,627
		3,891,840	2,515,715
Property, plant and equipment	5	**36,109,441**	**36,078,853**
		$ 40,001,281	$ **38,594,568**
Liabilities			
Current			
Bank debt	6	**9,782,320**	$ 9,920,816
Debtor-in-possession financing	7	**2,007,307**	-
Trade and other payables	8	**13,820,897**	11,896,022
Fair value of risk management contracts	9	**-**	429,482
		25,610,524	22,246,320
Decommissioning liabilities	10	**24,924,731**	24,549,767
Convertible debenture	11	**3,792,770**	3,732,117
		54,328,025	50,528,204
Equity			
Share capital	12	**46,706,177**	46,706,177
Equity component of convertible debenture	11	**454,895**	454,895
Contributed surplus		**2,882,545**	2,882,545
Deficit		**(64,370,361)**	(61,977,253)
		(14,326,744)	(11,933,636)
		$ 40,001,281	**$ 38,594,568**

Going concern (Note 3)
Subsequent events (Note 17)

See accompanying notes to the condensed interim financial statements

"signed" Director — (Gang Fang)   "*signed*" Director — (Gary Chang)

ANTERRA ENERGY INC.

Condensed Interim Statements of Operation and Comprehensive Income (Loss)
(Unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2016**	2015	**2016**	2015
Revenue		**$ 1,275,689**	$ 3,649,139	**$3,107,240**	$7,082,612
Royalties		**(95,845)**	(282,719)	**(202,057)**	(687,077)
		1,179,844	3,366,420	**2,905,183**	6,395,535
Realized gain on risk management contracts		**-**	248,049	**-**	743,829
Unrealized gain(loss) on risk management contracts	9	**-**	(482,863)	**429,482**	(235,411)
		1,179,844	3,131,606	**3,334,665**	6,903,953
Expenses					
Production and operating		**1,179,739**	1,995,438	**2,856,478**	4,397,489
Transportation		**58,246**	170,838	**146,937**	373,371
Spill clean-up and site remediation (recovery)		**-**	(1,649,027)	**-**	(1,537,812)
Depletion, depreciation and amortization	5	**286,612**	917,158	**831,987**	1,919,471
General and administrative		**610,166**	535,751	**1,077,399**	1,046,383
Finance	13	**407,873**	444,960	**814,972**	830,937
		2,542,586	2,415,118	**5,727,773**	7,029,839
Income(loss) before undernoted		**(1,362,742)**	716,488	**(2,393,108)**	(125,886)
Gain on property divestiture	5	**-**	114,369	**-**	114,369
Income (loss) before income tax		**(1,362,742)**	830,857	**(2,393,108)**	(11,517)
Income (loss) and comprehensive income (loss)		**(1,362,742)**	830,857	**(2,393,108)**	(11,517)
Income (loss) per share					
Basic and diluted	14	**$ (0.003)**	$ 0.002	**$ (0.005)**	$ (0.001)

See accompanying notes to the condensed interim financial statements

ANTERRA ENERGY INC.

Condensed Interim Statements of Changes in Equity

(Unaudited)

	Share Capital	Equity Component of Convertible Debenture	Contributed Surplus	Accumulated Deficit	Total Equity
Balance, January 1, 2015	$46,706,177	$ 454,895	$2,882,545	$ (32,410,818)	$17,632,799
Loss for the period	-	-	-	(11,517)	(11,517)
Balance, June 30, 2015	**$46,706,177**	**$ 454,895**	**$2,882,545**	**(32,422,335)**	**17,621,282**
Balance, January 1, 2016	$46,706,177	$ 454,895	$2,882,545	($61,977,253)	$(11,933,636)
Loss for the period	-	-	-	(2,393,108)	(2,393,108)
Balance, June 30, 2016	**$46,706,177**	**$ 454,895**	**$2,882,545**	**(64,370,361)**	**(14,326,744)**

See accompanying notes to the condensed interim financial statements

ANTERRA ENERGY INC.

Condensed Interim Statements of Cash Flows
(Unaudited)

		Three months ended June 30,		Six months ended June 30,	
		2016	2015	**2016**	2015
Operating activities:	Note				
Loss for the period		**$ (1.362,742)**	$ 830,857	**$ (2,393,108)**	$ (11,517)
Adjustments for:					
Depletion and depreciation	5	**286,612**	917,158	**831,987**	1,919,471
Accretion	13	**135,935**	145,166	**271,872**	272,438
Unrealized gain on risk management contracts	9	**-**	482,863	**(429,482)**	235,411
Decommissioning expenditures	10	**-**	(2,938)	**-**	(19,270)
Change in non-cash working capital	15	**699,510**	(894,032)	**1,585,791**	(2,557,752)
Cash used in operating activities		**$ (240,685)**	$ 1,479,074	**$ (132,940)**	$ (161,219)
Investing activities:					
Property, plant and equipment expenditures	5	**(680,467)**	71,633	**(698,832)**	(77,184)
Change in non-cash working capital	15	**-**	226,001	**-**	227,803
Cash (used in) provided by investing activities		**(680,467)**	297,634	**(698,832)**	150,619
Financing activities:					
Proceeds for Debtor-in-Possession financing		**2,007,307**	-	**2,007,307**	-
Proceeds from (repayment of) bank debt		**(49,116)**	(1,776,708)	**(138,496)**	10,600
Cash provided by (used) financing activities		**1,958,191**	(1,776,708)	**1,868,811**	10,600
Change in cash and cash equivalents		**$ 1,037,039**	$ -	**$ 1,037,039**	$ -
Cash and cash equivalents, beginning of period		**-**	-	-	-
Cash and cash equivalents, end of period		**$ 1,037,039**	$ -	**$ 1,037,039**	$ -

See accompanying notes to the condensed interim financial statements

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.

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 unaudited 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 financial statements for the year ended December 31, 2015. The Company’s accounting policies are unchanged from December 31, 2015 except as otherwise noted. The use of estimates and judgments is also consistent with the December 31, 2015 financial statements. The financial statements were authorized for issuance by the Company’s Board of Directors on August 26, 2016.

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

3. Going concern:

Continuing weak crude oil prices experienced during 2015 and 2016 have negatively impacted earnings and cash flow for the current and prior periods. Additionally, two major pipeline failures at the Company’s Nipisi property during 2014, compounded by related production interruptions, have further strained the Company’s financial resources.

As a result, at June 30, 2016, the Company has a working capital deficiency of $9.9 million, excluding bank debt and debtor-in-possession financing and was in default under its credit facility agreement.

Pursuant to a review by the Company’s lender, Canadian Western Bank (“CWB”) effective March 9, 2015, the Company’s revolving, operating demand loan credit facility was reduced to a maximum amount of $10 million and a non-revolving demand loan facility with maximum amount of $1.0 million. The non-revolving loan facility was repayable as to $200,000 on acceptance of the facilities agreement and thereafter in minimum monthly principal payments of $200,000. On April 15, 2016, CWB made demand upon the Company for payment in full of Anterra’s outstanding indebtedness.

On May 6, 2016, pursuant to an order granted by the Court of Queen's Bench of Alberta (the "Court"), the Company obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (The "CCAA"). CCAA protection stays creditors and others from enforcing rights against Anterra and affords the Company the opportunity to restructure its financial affairs. In conjunction with the CCAA application, the Company has arranged debtor-in-possession financing of $2.5 million which is available to the Company to fund the CCAA proceedings, expenditures required to place oilfield operations back online and general operations. These conditions create a material uncertainty that may cast significant doubt as to the Company's ability to execute on its business plan and continue as a going concern.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of obligations in the normal course of business. If this assumption is not appropriate, adjustments to the carrying amounts of assets and liabilities, revenues and expenses and the statement of financial position classifications used in the financial statements may be necessary and such adjustments could be material.

4. Segmented financial information:

For the six months ended June 30, 2016	**Oil and Gas Production**	**Midstream Processing**	**Corporate Segment**	**Eliminations**	**Total**
Revenue	$ 1,911,107	$ 1,201,939	-	$ (5,806)	$ 3,107,240
Royalties	(202,057)	-	-	-	(202,057)
	1,709,050	1,201,939	-	(5,806)	2,905,183
Unrealized gain on risk management contracts	429,482	-	-	-	429,482
	2,138,532	1,201,939	-	(5,806)	3,334,665
Production and operating	2,309,859	552,425	-	(5,806)	2,856,478
Transportation	146,678	259	-	-	146,937
Depletion and depreciation	657,627	174,360	-	-	831,987
General and administrative	318,284	199,209	559,906	-	1,077,399
Finance expense	200,911	10,310	603,077	-	814,972
	3,633,359	936,563	1,163,658		5,727,773
Net income (loss)	**($1,494,826)**	**$265,377**	**($1,163,658)**	**-**	**($2,393,108)**
Capital expenditures:					
Property, plant and equipment	**$ 698,832**	**$ -**	**$ -**	**$ -**	**$ 698,832**
Total Assets	**$ 33,307,100**	**$ 2,802,341**	**$ 3,891,840**	**$ -**	**$ 40,001,281**

4. Segmented financial information, continued;

For the six months ended June 30, 2015	**Oil and Gas Production**	**Midstream Processing**	**Corporate Segment**	**Eliminations**	**Total**
Revenue	$ 5,249,120	$ 1,850,617	-	$ (17,125)	$ 7,082,612
Royalties	(687,077)	-	-	-	(687,077)
	4,562,043	1,850,617	-	(17,125)	6,395,535
Realized gain on risk management contracts	743,829	-	-	-	743,829
Unrealized loss on risk management contracts	(235,411)	-	-	-	(235,411)
	5,070,461	1,850,617	-	(17,125)	6,903,953
Production and operating expenses	3,717,094	697,520	-	(17,125)	4,397,489
Spill clean-up and site remediation (recovery)	(1,537,812)	-	-	-	(1,537,812)
Transportation	373,371	-	-	-	373,371
Depletion, depreciation and amortization	1,838,930	80,541	-	-	1,919,471
General and administrative expenses	623,063	217,634	205,686	-	1,046,383
Finance expense	201,197	10,588	619,152	-	830,937
	5,215,843	1,006,283	824,838	-	7,029,839
Gain on property divestiture	114,369	-	-	-	114,369
Net income (loss)	**$ (31,013)**	**$844,334**	**$ (824,838)**	**-**	**(11,517)**
Capital expenditures:					
Property, plant and equipment	**$ 1,250**	**$ 75,934**	**$ -**	**$ -**	**$ 77,184**
Total Assets	**$61,599,033**	**$3,254,408**	**$5,609,746**	**$ -**	**$ 70,463,187**

5. Property, plant and equipment:

	Petroleum and natural gas properties $	Processing and other facilities $	Total $
Cost			
Balance, January 1, 2015	85,222,820	5,604,662	90,827,482
Additions	511,068	75,934	587,002
Decommissioning provisions	1,424,765	43,349	1,468,114
Balance, December 31, 2015	87,158,653	5,723,945	92,882,598
Additions	698,832	-	698,832
Decommissioning provisions	164,715	(971)	163,744
Balance, June 30, 2016	**88,022,200**	**5,722,974**	**93,745,174**
Depletion, depreciation and impairment			
Balance, January 1, 2015	23,983,082	2,398,792	26,381,874
Depletion for the year	4,834,220	347,481	5,181,701
Impairment for the year	25,240,171	-	25,240,171
Balance, December 31, 2015	54,057,473	2,746,273	56,803,746
Depletion and depreciation for the period	657,627	174,360	831,987
Balance, June 30, 2016	**54,715,100**	**2,920,633**	**57,635,733**
Net book value			
Balance, December 31, 2015	33,101,180	2,977,672	36,078,852
Balance, June 30, 2016	**33,307,100**	**2,802,341**	**36,109,441**

Future development costs totaling $9,209,900 (2015 - $35,708,400) are included in the depletion calculation. Personnel expenses of $277,570 (2015 - $48,534) directly attributed to capital activities were capitalized in property, plant and equipment for the six months ended June 30, 2016.

6. Bank debt:

	June 30, 2016	December 31, 2015
Authorized		
Revolving demand loan	**$10,000,000**	$10,000,000
Non-revolving demand loan	**1,005,154**	1,005,154
	$11,005,154	$11,005,154
Outstanding		
Revolving demand loan	**$9,782,320**	$**9,340,661**
Non-revolving demand loan	**-**	**580,155**
	$9,782,320	$**9,920,816**

As at March 9, 2015, the Company's authorized revolving, operating demand loan was reduced to a maximum amount of $10 million and a non-revolving demand loan with maximum amount of $1.0 million. The revolving facility bears interest at the bank prime plus 1.25% (December 31, 2015 - prime rate plus 1.00%), with an effective rate at June 30, 2016 of 3.95% (December 31, 2015 – 4.10%). The non-revolving facility bears interest at the bank prime rate plus 3.00% with an effective rate as at March 31, 2016 of 5.70%, and is fully repaid in April 30, 2016.

The loan amounts are secured by a first floating charge debenture in the amount of $35 million over all assets of the Company. Under the loan 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 December 31, 2015 and June 30, 2016, the adjusted working capital ratio was below 1:1, the Company is in default under the agreement, and on April 15, 2016, CWB made demand upon the Company for payment in full of all amounts outstanding.

7 Debtor-in-possession ("DIP") financing

In May 2016, the Company and Western Union Petro International Co. Ltd. ("Western Union International") executed a DIP Commitment Letter whereby Western Union International agreed to provide an interest free loan in the maximum of $2.5 million (the "DIP Facility") to the Company to provide for short-term liquidity needs, including funding of the CCAA process, while the Company is under CCAA protection. The DIP Facility is repayable on demand, and is secured by a priority charge over all of the Company's assets in priority to existing secured creditors. Western Union is a related party as outlined in Note 16.

8. Trade and other payables:

Trade and other payable include an amount of $3.0 million payable to a related party, see note 16.

9. Risk management contract:

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, operating and financial activities. The Company's financial risks are consistent with those discussed in its December 31, 2015 financial statements.

During 2015, the Company entered into two commodity price contracts to mitigate a degree of its exposure to commodity price risk and provide a degree of stability to operating cash flows which enable the Company to fund a portion of its capital program. Additionally, during 2015, the Company entered into two fixed price power contracts.

Such contracts are not used for trading or speculative purposes. The Company has not designated the financial derivative contracts as effective accounting hedges although the Company considers them to be an effective economic hedge. As a result, the contracts are recorded at fair value on the statement of financial position, with changes in fair value being recognized as a realized gain on the statement of operations.

Financial assets and liabilities carried at fair value are required to be classified in accordance with a hierarchy that prioritizes the inputs used to measure fair value. The risk management contracts are valued using level 2 inputs which are based on quoted forward prices that can be substantially observed or corroborated in the market place.

With the exception of one power contract, the risk management contracts expired as of December 31, 2015 and the remaining power contract was cancelled by the provider on April 15, 2016. At December 31, 2015, the power contract was recorded as a liability of $429,482. With the cancellation of the contract, the liability was reversed and an unrealized gain of $429,482 was recognized during the three month period ended March 31, 2016.

10. Decommissioning liabilities:

Balance, January 1, 2015	$ 22,669,166
Changes to estimate	1,468,115
Obligation acquired	(19,270)
Accretion expense	431,756
Balance, December 31, 2015	$ 24,549,767
Changes to estimate	163,744
Accretion expense	211,220
Balance, June 30, 2016	$ 24,924,731

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 $24,924,731 at June 30, 2016 (December 31, 2015 - $24,549,767) based on an undiscounted total future liability of $24,708,339 (December 31, 2015 - $24,708,339). These expenditures are expected to be incurred over the next 25 years with the majority of costs to be incurred between 2016 and 2025. A risk free rate of 1.72% (2015 – 1.90%) and an inflation factor of 2% were used to determine the decommissioning liability at June 30, 2016.

11. Convertible debenture:

6% redeemable convertible debenture

	June 30, 2016	December 31, 2015
6% redeemable convertible debenture, at face value	**$4,000,000**	$4,000,000
Equity component, before deferred income taxes	**(606,526)**	(606,526)
Accretion	**399,296**	338,643
Balance	**$3,792,770**	$3,372,117

On March 14, 2013, the Company issued a $4 million principal amount convertible debenture as partial settlement of a hydrocarbon purchase agreement. 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.

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.

12. 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, June 30, 2016, December 31, 2015 and December 31, 2014	**496,871,120**	**4,000,000**	**46,706,177**

13. Finance income and expenses:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Finance income:				
Interest income on bank deposits	**$ (168)**	$ (200)	**$ (674)**	$ (417)
Financial expenses:				
Interest on bank debt	**99,496**	169,789	**205,430**	298,508
Other interest	**112,610**	70,202	**218,344**	140,405
Interest on Debenture	**60,000**	60,000	**120,000**	120,000
Accretion of debenture	**30,326**	30,330	**60,652**	60,656
Accretion of decommissioning liabilities	**105,609**	114,839	**211,220**	211,785
	408,041	445,160	**815,646**	831,354
Net finance expenses	**$ 407,873**	$ 444,960	**$ 814,972**	$ 830,937

14. Per share amounts:

Basic income per share was calculated as follows:

	2016	2015
Loss for the period	**$ (2,393,108)**	$ (11,517)
Weighted average number of common shares (Basic and Diluted)	**496,871,120**	496,871,120

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

	2016	2015
Source of cash:		
Trade and other receivables	**$ (15,908)**	$ (1,668,914)
Deposit and prepaid expenses	**(323,176)**	(102,341)
Trade and other payables	**1,924,875**	(558,694)
	1,585,791	(2,329,949)
Related to investing activities	**-**	(2,557,752)
Related to operating activities	**1,585,791**	227,803

16. Related party transactions:

The Company has entered into the following transactions with related parties:

(a) LandOcean Energy Services Co., Ltd. ("LandOcean") and Western Union Petro (Canada) Technology Co., Ltd. ("Western Union"), a wholly owned subsidiary of LandOcean, 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. LandOcean has been tasked with (1) assessing the potential of the Company's oil and gas properties and preparing development plans for the properties; and (2) providing assistance to the Company's management in executing such plans. Specific projects, as summarized below, undertaken by LandOcean and Western Union are approved by the independent directors of the Company prior to the commencement of the project. The Company's management monitors and manages the work, and tracks all expenses against a budget approved by the directors for the project.

i) On April 8, 2013, the Company entered into an agreement ("the Agreement") with LandOcean whereby LandOcean 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. Pursuant to the Agreement, LandOcean will earn total compensation of $1,949,600 for technical services of which $976,880 had been earned to December 31, 2014. The Company charges technical costs incurred under the Agreement to petroleum and natural gas properties. Additionally, under the terms of the Agreement, $50,000 for travel, communication and management costs, were paid and expensed during 2013. At June 30, 2016, $392,000 was payable to LandOcean in relation to the Agreement.

ii) During 2014, the Company engaged Western Union to complete various field projects including the initial stage of a water-flood project at Strathmore, Alberta. To June 30, 2016, total costs of $3,834,642 (2015 - $3,834,642) have been incurred relating to the various projects, of which, $2,982,047 remains payable at June 30, 2016 (2015 - $2,982,047), together with interest of 5% to 10% during the year of 2015 and 15% thereafter. No work, further to that completed to the end of 2014, is ongoing or anticipated with the above related entities.

iii) In May of 2016, Western Union Petro International Co. Ltd., a wholly owned subsidiary of Western Union agreed to make available to the Company a loan in the maximum of $2.5 million as outlined in Note 7.

b) During six month ended June 30, 2016, a consulting company, to which an officer of Anterra is related, charged the Company $33,812 (2015 - $50,628) for consulting services.

17. Subsequent events:

On April 15, 2016, the Company announced that the CWB had made demand upon the Company for payment in full of the Company's outstanding indebtedness, and that to secure safety of operations, the Company had undertaken a process of shutting-in its operated wells and facilities with the exception of certain midstream facilities.

On April 29, 2016, the Company announced that the filing of its annual audited financial statements and management's discussion and analysis for the year ended December 31, 2015 would be delayed beyond the filing deadline of April 29, 2016. On May 6, 2016, the Alberta Securities Commission issued a cease trade order against the Company for failure to file the required annual disclosure documents, subsequent to which, the securities regulators in each of the jurisdictions in which the Company is a reporting issuer issued similar orders ("the "Cease Trade Orders"). The Company's securities have been halted from trading on the TSX Venture Exchange until such time as the Cease Trade Orders have been revoked or varied and the Company meets Exchange requirements in relation to the reinstatement of trading. The Company intends to finalize the required disclosure documents and apply to the applicable securities commissions to have the Cease Trade Orders revoked.

On May 6, 2016, pursuant to an order granted by the Court of Queen's Bench of Alberta, the Company obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (The "CCAA"). CCAA protection stays creditors and others from enforcing rights against Anterra and affords the Company the opportunity to restructure its financial affairs. In conjunction with the CCAA application, the Company arranged for a $2.5 million DIP financing as outlined in Note 7,which is available to the Company to fund the CCAA proceedings and expenditures required to place oilfield operations back online. With the availability of these funds, the Company has placed those wells shut in during April back on production and completed the initial phase of a well reactivation and workover program relating to other non-producing wells.

On August 16, 2016, the Court granted an extension of the initial order until October 28, 2016.