OTC Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide *adequate current information* to the public markets. With a view to encouraging compliance with these laws, OTC Markets Group has created these OTC Pink Basic Disclosure Guidelines. We use the basic disclosure information provided by OTC Pink companies under these guidelines to designate the appropriate tier in the OTC Pink marketplace: Current, Limited or No Information. OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for OTC Pink Current Information tier.

Qualifications for the OTC Pink - Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) qualify for the Current Information Tier. Financial reports must be prepared according to U.S. GAAP or IFRS, but are *not required to be audited* to qualify for the OTC Pink Current Information tier.

Initial Qualification:

1. Subscribe to the OTC Disclosure & News Service on www.OTCIQ.com to publish your financial reports and material news.

2. Create the following documents, save them in PDF format and upload them via www.OTCIQ.com:
   - Annual Financial statements (Document must Include: Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements) for the previous two fiscal years. If these reports are audited, please attach the audit letter from the PCAOB registered audit firm. Each year's Annual Financial statements should be posted separately under the report type "Annual Report" in OTCIQ.
   - Any subsequent Quarterly Reports since the most recent Annual Report.
   - The most recent fiscal period end report should also include information in accordance with these OTC Pink Basic Disclosure Guidelines; use the fillable form beginning on page 3.

3. If financial reports are not audited by a PCAOB registered audit firm:
   - Submit a signed Attorney Letter Agreement (first two pages of the Attorney Letter Guidelines).
   - After following the appropriate procedures with a qualified attorney, upload an Attorney Letter complying with Attorney Letter Guidelines through your otciq.com account.

Ongoing Qualification:

1. **For each Fiscal Quarter End**, upload a Quarterly Report via www.OTCIQ.com within **45** days of the quarter end. (A separate quarterly report is not required for the 4th quarter.) The Quarterly Report should include:
   - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
   - Quarterly financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements).
   - No Audit Letter or Attorney Letter is required**.**

2. **For each Fiscal Year End**, upload an Annual Report within **90 days** of the fiscal year end. The Annual Report should include:
   - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
   - Annual financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements, and Audit Letter, if the financial statements are audited).

3. If financial reports are not audited by a PCAOB registered audit firm, upload an Attorney Letter via www.OTCIQ.com complying with the Attorney Letter Guidelines within **120 days** of the fiscal year end.

Qualifications for the OTC Pink - Limited Information Tier

Companies that make the information described below publicly available within the prior 6 months qualify for the Limited Information Tier.

1. Subscribe to the OTC Disclosure & News Service on www.OTCIQ.com to publish your financial reports and material news.
2. Create a Quarterly Report or Annual Report for a fiscal period ended within the previous 6 months, save it in PDF format and upload it via www.OTCIQ.com. The Quarterly Report or Annual Report includes:
    - Balance Sheet, Income Statement, and Total Number of Issued and Outstanding Shares. Financial statements must be prepared in accordance with US GAAP, but are not required to be audited. (Please note that Cash Flow Statements are not required to qualify for the Limited Information tier; however, unless the financial statements include a Cash Flow Statement, no financial data will be included in the OTC Financials Data Service, which distributes company financial data to online investor portals and makes the data available on your company's Financials tab on www.otcmarkets.com)
    - A company in the Limited Information tier, may, but is not required to, include information in accordance with these OTC Pink Basic Disclosure Guidelines using the fillable form beginning on page 3.

Current Reporting of Material Corporate Events

OTC Markets Group encourages companies to make public disclosure available regarding corporate events that may be material to the issuer and its securities. Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence, and posting such news release through the OTC Disclosure & News Service.

Material corporate events include:

- Entry or Termination of a Material Definitive Agreement
- Completion of Acquisition or Disposition of Assets, Including but not Limited to mergers
- Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer
- Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
- Costs Associated with Exit or Disposal Activities
- Material Impairments
- Sales of Equity Securities
- Material Modification to Rights of Security Holders
- Changes in Issuer's Certifying Accountant
- Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review
- Changes in Control of Issuer
- Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers
- Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year
- Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics
- Other events the issuer considers to be of importance

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

1st NRG Corp.

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 1531 Stout Street
Address 2: Suite 607
Address 3: Denver, Colorado 80202
Phone: 816.256.8561
Email: info@1stnrg-corp.com
Website(s): http://1stnrg-corp.com

IR Contact
Address 1: EnergyIR
Address 2: 3900 Essex Lane, Suite 950
Address 3: Houston, TX 77027
Phone: 713.654.4009
Email: b_holmes@att.net
Website(s): _____

3) Security Information

Trading Symbol: FNRC
Exact title and class of securities outstanding: Common Stock
CUSIP: 32114B309
Par or Stated Value: .00001
Total shares authorized: 20,000,000,000 as of: 12/31/2014
Total shares outstanding: 919,880 as of: 12/31/2014

Additional class of securities (if necessary):
Trading Symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or Stated Value: _____
Total shares authorized: _____ as of: _____
Total shares outstanding: _____ as of: _____

Transfer Agent
Name: Continental Stock Transfer & Trust Co.
Address 1: 17 Battery Place
Address 2: 8th Floor
Address 3: New York, NY 10004
Phone: 212.509.4000
Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

NA

Describe any trading suspension orders issued by the SEC in the past 12 months.

NA

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The Company declared a special dividend to qualified shareholders holding a minimum of 100,000 common shares. The dividend consisted of one (1) Series "E" Preferred Share to the qualified shareholders of record at 4/28/2014 for each 100,000 shares of common stock held. Each Series "E" Preferred converts to common shares at par - $0.00001. Shares of Series E Preferred Stock may not be converted into shares of Common Stock for a period of: a) six (6) months, if the Company voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if the Company does not file such public reports. The Series E Shares have a face value of $2.50 per share and do not have voting rights. At June 30, 2014 there were 183,969 Series "E" Preferred Shares outstanding.

Effective June 23, 2014 the Company effectuated a reverse stock split comprised of one share of newly issued common stock for each 20,000 shares of common stock held as of the effective date. After the reverse split the Company now has 919,828 common shares outstanding.

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

February 2012 - Issuance of shares for services. The Company engaged Ascendiant Capital Partners Client on a non-exclusive basis, to render such assistance, advice, consultation, information, and services to the Officers and/or Directors of Client regarding general business matters including, Capital Structure, Financial Modeling, Merger/Acquisition Activities, Qualifications for Stock Exchange Listings, Corporate Governance, and other Public Company matters. The Company has agreed to issue Ascendiant 15 Common Shares in consideration for entering into the consulting arrangement.

April 2012 - Conversion of Company debt into Common Stock. On April 10th 2012, the company received notice that Mr. Robert Cox, a non affiliated individual, had purchased a promissory note between the company and Orange Investments with a principal amount outstanding of $25,000. Concurrently, the company received notice that Mr. Cox had assigned portions of the Note which had elected to convert portions of the note into common stock of the company. In total, six non affiliated entities converted $12,250.00 of principal into 612 shares of common stock.

October 2012 - Conversion of the Company's Preferred Series A into Common Stock. 1st NRG Corp closed a transaction with nine qualified investors in January 2011, pursuant to which the Investors purchased a private placement of Units consisting of Preferred Shares (convertible into Common Shares) and 47,438,030 Warrants to purchase Common Shares. The total Unit purchase was $14,452,014.45 ($16,057.79 per Unit) and is currently reflected on the Company's Balance Sheet as restricted cash. In November 2012, the Investors converted the Series A Preffered Shares into 2,246 shares of the Company's common stock.

December 2012 - Conversion of Company debt into Common Stock. On December 18th 2012, the company received notice that Mr. Robert Cox, assigned portions of the Note he acquired and those assignees had elected to convert portions of the note into common stock of the company. In total, four non affiliated entities converted $12,750.00 of principal into 638 shares of common stock.

December 2012 - Conversion of Company debt into Common Stock. On December 28th 2012, the company received notice that four non affiliated entities, had purchased a portion of a promissory note between the company and Orange Investments with a principal amount outstanding of $20,000. Concurrently, the company received notice that the four had elected to convert portions of the note into common stock of the company. In total, four non affiliated entities converted $3,300.00 of principal into 1,650 shares of common stock.

On March 7th 2013, the Company received notice that seven non affiliated entities, had purchased a portion of a promissory note between the company and Orange Investments with a principal amount outstanding of $20,000. Concurrently, the company received notice that the seven had elected to convert portions of the note into common stock of the company. In total, the seven non affiliated entities converted $13,000 of principal into 6,500 shares of common stock.

June 13, 2013, the Company issued 375,000 shares of common stock each, to Mr. William Ellingson and Mr. Kevin Norris for services rendered. Mr. Ellingson and Mr. Norris are on the Company Board of Directors. Additionally, Mr. Norris is the Company's CEO.

On June 25th 2013, the Company received notice that a non affiliated entitiy, had purchased a promissory note between the Company and Sean T. Norris with a principal amount plus interest outstanding of $14,776.34 Concurrently, the company received notice that the purchaser had elected to convert the note into 73,882 shares of common stock of the company.

In November and December 2013, the Company issued 12,500, and 20,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $50,000 and $30,000 respectively.

In January and February 2014, the Company issued 21,250, and 30,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $30,000 for each.

B. Any jurisdictions where the offering was registered or qualified;

In November and December 2013, the Company issued 12,500, and 20,000 shares of its common stock to a non affiliated third party in the State od Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $50,000 and $30,000 respectively.

In January and February 2014, the Company issued 21,250, and 30,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $30,000 for each.

C. The number of shares offered;

In November and December 2013, the Company issued 12,500, and 20,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $50,000 and $30,000 respectively.

In January and February 2014, the Company issued 21,250, and 30,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $30,000 for each.

D. The number of shares sold;

In November and December 2013, the Company issued 12,500, and 20,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $50,000 and $30,000 respectively.

In January and February 2014, the Company issued 21,250, and 30,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $30,000 for each.

E. The price at which the shares were offered, and the amount actually paid to the issuer;

In November and December 2013, the Company issued 12,500 and 20,000 shares of its common stock to a non-affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $50,000 and $30,000 respectively or at a price of $4.00 and $1.50 per share respectively.

In January and February 2014, the Company issued 21,250, and 30,000 shares of its common stock to a non affiliated third party in the State of Delaware, pursuant to an exemption from registration provided under Rule 504 of the Securities Act of 1933. The Company received proceeds of $30,000 for each or at a price of $1.412 and $1.00 respectively.

F. The trading status of the shares; and

February 2012 - Issuance of shares for services. The certificate has not yet been issued, however it is recognized as being outstanding. The shares are not free trading shares.

April 2012 - Conversion of Company debt into Common Stock. As of the date of this filing all 612 shares have been issued, and are free trading.

October 2012 - Conversion of the Company's Preferred Series A into Common Stock. As of the date of this filing all 2,246 shares have been issued, and of those shares 921 are free trading.

December 2012 - Conversion of Company debt into Common Stock. As of the date of this filing all 638 shares have been issued, and are free trading.

December 2012 - Conversion of Company debt into Common Stock. As of the date of this filing all 1,650 shares have been issued, and are free trading.

March 2013 - Conversion of Company debt into Common Stock. As of the date of this filing all 6,500 shares have been issued, and are free trading.

June 2013 - Issuance of shares for services. The certificates have been issued, they all bear a restritive legend and the shares are not free trading shares.

June 2013 - Conversion of Company debt into Common Stock. As of the date of this filing all 73,882 shares have been issued, and are free trading.

November and December 2013 – Issuance pursuint to 504 exemption. As of the date of this filing all 32,500 shares have been issued, and are free trading.

January and February 2014 – Issuance pursuint to 504 exemption. As of the date of this filing all 51,250 shares have been issued, and are free trading.

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

February 2012 - Issuance of shares for services. These shares have not been issued, the requirement of a legend will be addressed at that time.

April 2012 - Conversion of Company debt into Common Stock. These shares do not contain a legend.

October 2012 - Conversion of the Company's Preferred Series A into Common Stock. These shares do not contain a legend.

December 2012 - Conversion of Company debt into Common Stock. These shares do not contain a legend.

December 2012 - Conversion of Company debt into Common Stock. These shares do not contain a legend.

March 2013 - Conversion of Company debt into Common Stock. These shares do not contain a legend.

June 2013 - Issuance of shares for services. These bear a restrictive legend and the shares are not free trading shares.

June 2013 - Conversion of Company debt into Common Stock. These shares do not contain a legend.

November and December 2013 – Issuance pursuant to Rule 504 exemption. These shares do not contain a legend.

January and February 2014 – Issuance pursuant to Rule 504 exemption. These shares do not contain a legend.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

A. Balance sheet;
B. Statement of income;
C. Statement of cash flows;
D. Financial notes; and
E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otciq.com in the field below.

Incorporated by reference - 1st NRG Corp Financial Statements for the Year ended December 31, 2014, posted March 30, 2015.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

1st NRG Corp is an exploration and production company currently engaged in the development of natural gas producing properties in the Powder River Basin of Wyoming. Headquartered in Denver, Colorado, our activity has been centered upon the development of coal bed methane reserves where we hold a working interest in 42 producing wells, 1 location awaiting completion and 2,950 undeveloped acres. We acquired our interest in October 2010 and the 42 wells which currently make up the field are shut in. The undeveloped acreage could be permitted for 35 locations which are characterized by what we

believe to be low geologic risk, a repeatable development opportunity and are offsetting wells which all demonstrated developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

In December 2013, we drilled the Clabaugh Federal 42-15-5376 WA, to 1680' and as expected, wireline logging identified approximately 200' of developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations. The well is currently waiting on completion. Mountain Hawk Energy operates the other 42 producing wells at Clabaugh Ranch.

The Company is also expanding its activities into Ohio participating in a development of prospective acreage encompassing approximately 7,000 acres. A vertical test well was drilled, logged, cored and cased to a depth of approximately 7,620 feet. Testing of the well, the results of a diagnostic fracture injection test and analysis of the cores, proved inconclusive in the Utica Shale. Because of the inconclusive results and the decline in oil prices, ECA assigned the well back to 1st NRG and its partner. We now hold a 50% working interest in the well and are proceeding in two zones of interest, the Conasauga formation and the Beekmantown Dolomite. We expect the well to be put online in April 2015 once the local road restrictions allow for movement of the equipment needed for completion. We are eagerly anticipating the flow testing of the Conasauga formation through the current perforations since there are not any producing Conasauga wells in the State of Ohio. There are however over 1,500 wells in Ohio which have been completed and produce from the Beekmantown Dolomite, EUR's ranged from 24 MCFE to 3.95 BCF. The Beekmantown will be completed after the flow test of the Conasauga formation.

B. Date and State (or Jurisdiction) of Incorporation:

1st NRG Corp was incorporated in Delaware on January 8, 1988.

C. the issuer's primary and secondary SIC Codes;

Our primary SIC code is 1311 - Crude Petroleum and Natural Gas

D. the issuer's fiscal year end date;

Fiscal year end - December

E. principal products or services, and their markets;

Currently, the Company produces coal bed methane (CBM) which is natural gas that is trapped within buried coal and is stored, or adsorbed, onto the internal surfaces of the coal face. Geologists have long known that coal was the source for natural gas found in many conventional accumulations, but coal beds were not targeted for production due to high water content and minimal natural gas production. Following a West Virginia mine explosion in 1968, the U.S. Bureau of Mines began to examine ways of removing methane from coal prior to mining. The Bureau of Mines demonstrated that CBM could be produced when large volumes of water are pumped from a coal seam. In a process known as *dewatering,* a submersible pump is set below the coal seam, and the water column is pumped down, reducing the pressure in the coals.

As pressure in the coal bed formation is reduced, CBM is released through a process called *desorption*. CBM then moves into naturally occurring cracks, or cleats, in the coal, and then to the well bore. Cleats are natural fractures in the coals and are a result of ages of geological stresses. The cleats are generally filled with water, so the static water level above the coal must be reduced, which then lowers the reservoir pressure allowing desorption to occur. Thus, unlike producing from a conventional natural gas reservoir, reservoir pressure in a coal bed formation must generally be reduced to allow for production of CBM. Because of the necessity to remove water and reduce the pressure within the coal seam, CBM, unlike conventional hydrocarbons, often will not show immediately on initial production testing. Coal bed formations typically require extensive depressurization through dewatering before desorption can occur and the methane begins to flow at commercial rates.

The Company's Wyoming properties are located in the Powder River Basin an asymmetrical structure and sedimentary basin; bounded by the Bighorn and Black Hills uplift and the Casper Arch. The Paleocene Fort Union formation crops out along the basin margin and is overlain by the Eocene Wasatch formation in the central and western part of the basin. The

Wasatch and Fort Union formations contain numerous coal beds, some of which approach 250 feet in total thickness. The Fort Union formation is divided, in ascending stratigraphic order, into the Tullock, Lebo, and Tongue River members, with the majority of coal and CBM production being produced from the Tongue River member.

In SE Ohio the recent technological advances in drilling and completion techniques has brought numerous operators to consider the Utica shale as one of the next energy frontiers with several operators comparing its potential to the Eagle Ford Shale in Texas and the Bakken Shale in the Williston Basin of North Dakota and Montana. While it is still very early in the play operators like Chesapeake Energy, Antero, Magnum Hunter, Gulfport Energy, Anadarko, Petroleum Development Corp and Devon (to name a few) have been acquiring acreage in Ohio.

As information becomes available the size and extent of the Utica Shale resource will become more evident. The Ordovician-aged Utica Shale is distributed across several US states as well as Quebec, Canada and is found approximately 2,000+ ft below the Marcellus Shale. The Utica shale is generally shallower to the West and deepens to the East. In addition to the Utica Shale, other formations such as the Devonian shale, Marcellus shale, Clinton sandstone, Medina Sandstone, Trenton Limestone, Black River, Beekmantown dolomite and Rose Run all are potential targets below the Second Berea.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

1st NRG Corp is an exploration and production company currently engaged in the development of natural gas producing properties in the Powder River Basin of Wyoming. Headquartered in Denver, Colorado, our activity has been centered upon the development of coal bed methane reserves where we hold a working interest in 42 producing wells, 1 location awaiting completion and 2,950 undeveloped acres. We acquired our interest in October 2010 and the 42 wells which currently make up the field are shut in. The undeveloped acreage could be permitted for 35 locations which are characterized by what we believe to be low geologic risk, a repeatable development opportunity and are offsetting wells which all demonstrated developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

In December 2013, we drilled the Clabaugh Federal 42-15-5376 WA, to 1680' and as expected, wireline logging identified approximately 200' of developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations. The well is currently waiting on completion. Mountain Hawk Energy operates the other 42 producing wells at Clabaugh Ranch.

The Company is also expanding its activities into Ohio participating in a development of prospective acreage encompassing approximately 7,000 acres. A vertical test well was drilled, logged, cored and cased to a depth of approximately 7,620 feet. Testing of the well, the results of a diagnostic fracture injection test and analysis of the cores, proved inconclusive in the Utica Shale. Because of the inconclusive results and the decline in oil prices, ECA assigned the well back to 1st NRG and its partner. We now hold a 50% working interest in the well and are proceeding in two zones of interest, the Conasauga formation and the Beekmantown Dolomite. We expect the well to be put online in April 2015 once the local road restrictions allow for movement of the equipment needed for completion. We are eagerly anticipating the flow testing of the Conasauga formation through the current perforations since there are not any producing Conasauga wells in the State of Ohio. There are however over 1,500 wells in Ohio which have been completed and produce from the Beekmantown Dolomite, EUR's ranged from 24 MCFE to 3.95 BCF. The Beekmantown will be completed after the flow test of the Conasauga formation.

Wyoming CBM

In December 2013, we drilled the Clabaugh Federal 42-15-5376 WA, to 1680' and as expected, wireline logging identified approximately 200' of developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations. The well is currently waiting on completion. Mountain Hawk Energy operates the other 42 producing wells at Clabaugh Ranch.

The coal seams in the Powder River Basin that are targeted have been extensively mapped as a result of a variety of natural resource developments that have occurred in the region. Industry data from many wellbores drilled by others allows us to determine the extent, thickness, gas saturation, formation pressure and relative permeability of the coal seams. This reduces (but does not entirely eliminate) the risk of drilling unproductive wells, but there is extensive CBM production in the Basin.

Pursuant to approvals from the Wyoming Oil and Gas Commission (the "WOGC"), gas production at Clabaugh Ranch has been comingled from three coals in the producing wells: the Schwartz, Upper and Lower and the Anderson coals. When water levels from these coal seams subside, the intent is to perforate and produce the other coal seams which are behind pipe. We expect that using the same well bores and capital equipment (pumps, electricity, water and natural gas gathering systems) will result in lower total development and operating costs per mcf for the properties. We also expect cumulative recovery by simultaneous multiple seam production to be greater than single seam production and result in lower per mcf operating costs and longer well lives.

Gas production from CBM wells usually is accompanied by production of significant volumes of water from the coals. Water quality varies with the chemical composition of the depositional environment when the coals were formed. Depending on water quality, local land conditions and regulations, water disposal can be a relatively expensive cost of production. Disposal methods range from reinjection, treatment plants (reverse osmosis or ion exchange), and impoundment systems (ponds) to evaporation sprinklers, irrigation and surface disposal.

A subsurface irrigation system was installed for the initial Clabaugh properties. Water from the wells (which is potable) is piped to an underground system of dispersal pipes where water seeps down into the alluvial till just below the ground surface. This technique (originally developed as an underground irrigation method - designed to limit evaporation) has been approved by the Wyoming Department of Environmental Quality for use where core drilling shows the subsurface can hold the water. This method is much less expensive than treating the water, and avoids overflow issues associated with impoundment ponds. 1st NRG is taking this process one step further by permitting a tool which will allow us to dispose of produced water within the existing wellbore. The ARID™ Aquifer Recharge Injection System was developed in order to solve the problems and costs associated with the surface discharge of CBM /CSNG produced water. This Aquifer Recharge Injection System has proven to satisfy the needs of CBM Operators, as well as landowners, environmentalists, and regulators as the safest and most cost effective method of removing water from a gas producing coal seam while at the same time saving the water in another aquifer all in the same well bore. ARID Aquifer Recharge Injection is now considered a "Best Practice" by CBM / CSNG gas producers that want to eliminate the cost and time associated with surface water discharge. See "Water Production and Management," below.

Overview of Coalbed Methane (CBM) and the Powder River Basin

CBM is natural gas that is trapped within buried coal and is stored, or adsorbed, onto the internal surfaces of the coal face. Geologists have long known that coal was the source for natural gas found in many conventional accumulations, but coal beds were not targeted for production due to high water content and minimal natural gas production. Following a West Virginia mine explosion in 1968, the U.S. Bureau of Mines began to examine ways of removing methane from coal prior to mining. The Bureau of Mines demonstrated that CBM can be produced when large volumes of water are pumped from a coal seam. In a process known as *dewatering* a submersible pump is set below the coal seam, and the water column is pumped down, reducing the pressure in the coals.

As pressure in the coal bed formation is reduced, CBM is released through a process called *desorption*. CBM then moves into naturally occurring cracks, or cleats, in the coal, and then to the well bore. Cleats are natural fractures in the coals and are a result of ages of geological stresses. The cleats are generally filled with water, so the static water level above the coal must be reduced, which then lowers the reservoir pressure allowing desorption to occur. Thus, unlike producing from a conventional natural gas reservoir, reservoir pressure in a coal bed formation must generally be reduced to allow for production of CBM. Because of the necessity to remove water and reduce the pressure within the coal seam, CBM, unlike

conventional hydrocarbons, often will not show immediately on initial production testing. Coal bed formations typically require extensive depressurization through dewatering before desorption can occur and the methane begins to flow at commercial rates.

According to the U.S. Energy Information Administration, in 2012 CBM provided approximately 5.2% of daily natural gas production in the United States. The Rocky Mountain region, due to its immense coal reserve base, is a significant source of United States CBM production where the primary CBM basins include the San Juan, Green River, Raton, Powder River and Uinta Basins in the western United States.

The Powder River Basin is an asymmetrical structure and sedimentary basin bounded by the Bighorn and Black Hills uplift and the Casper Arch. The Paleocene Fort Union formation crops out along the basin margin and is overlain by the Eocene Wasatch formation in the central and western part of the basin. The Wasatch and Fort Union formations contain numerous coal beds, some of which approach 250 feet in total thickness. The Fort Union formation is divided, in ascending stratigraphic order, into the Tullock, Lebo, and Tongue River members, with the majority of coal and CBM production being produced from the Tongue River member.

The majority of Powder River Basin CBM reserves are found in the Fort Union formation. Extensive drilling in the Fort Union formation (over 25,000 drilled well bores) has provided supporting data indicating that this formation contains numerous coal beds which are generally continuous, extremely permeable and are relatively shallow (less than 1,000 feet deep) and low in rank (geologic maturity) compared to other coals in the Rocky Mountains.

Drilling and Production

CBM wells in the Powder River Basin are drilled with small truck mounted rig drilling through the base of the Fort Union Coals and then setting casing and cementing the well to the surface. The coal bed seams are then completed by perforating the casing at the target coal (or coals). Once the production casing has been cemented, the perforations and coal face is then cleaned out and flushed by pumping water at high rates into the coal seam. Once the well is completed, a submersible pump is run into the well on production tubing to pump produced water from the coal seam. As the coal dewaters, gas flows up the casing to the surface. At the wellhead, the gas and water are metered. The gas then flows to a central compressor station where it is compressed into a high-pressure pipeline for sale. The water is gathered through a pipeline for disposal. CBM production generally is continuous to ensure a constant low-pressure natural gas and water flow and to sustain a commercially viable operation.

We intend to use drilling, completion and production practices that utilize technological advances in cementing, multiple zone completions and programmable submersible pumps. These techniques minimize damage to coal zones, preserve the potential of coals behind pipe, and reduce cementing costs. Multiple zone completions allow for the successful perforation of multiple zones which reduces capital costs over the life of the wells. Programmable submersible pumps and telemetry provide efficient means to best manage production and detect problems on a real time basis.

Conventional gas wells are typically 8,000 to 20,000 feet deep and initially produce large volumes of gas relative to water. Natural gas normally does not require assistance to move to the surface, and over time, gas production declines and water production may increase. In contrast, CBM wells generally range from 300 to 4,000 feet. Our wells will be drilled to about 1,800 feet. In the early stages of CBM production, large quantities of water and low quantities of gas are produced. Water production is initiated to lower the down hole pressure which allows the methane to release from the coal. The water volumes eventually decline and gas quantities begin to rise. In most cases, assistance to bring the gas to surface is not needed for the final period of production.

Water Production and Management

Water production and disposal is a key issue in CBM development. CBM-produced water in Wyoming (whether from wells on fee State or BLM land) must have a beneficial use, which is generally defined as suitable for agricultural, irrigation, commercial, domestic, industrial, municipal, mining, hydropower production, recreational, stock watering and fisheries, wildlife and wetlands maintenance, or dust suppression. Currently, the management of CBM-produced water depends on the quality of the produced water. The water produced in CBM operations can vary from very high quality (potable, meaning that it meets state and federal drinking standards), to very low quality (having a very high concentration of dissolved solids, like sodium, making it unsuitable for reuse). Testing of the produced water determines the disposal method.

Produced water is handled by utilizing one or several of the following regulatory-approved methods: Surface discharge (to creeks and streams); containment in ponds; irrigation of surface lands; injection to shallow sand formations; enhanced evaporation systems; treatment through ion exchange or reverse osmosis; and/or sub-surface irrigation.

Generally, water from CBM wells on the eastern side of the PRB (for example west of Gillette, Wyoming) contains much fewer dissolved minerals (especially sodium) than other areas. We believe that there are other coal properties in the vicinity of the Clabaugh Ranch that have not been developed because the surface owners (ranchers) have concerns about CBM water disposal issues and operations adversely impacting surface use (ranching, wildlife, etc.).

A subsurface irrigation system was installed for the initial Clabaugh properties. Water from the wells (which is potable) is piped to an underground system of dispersal pipes where water seeps down into the alluvial till just below the ground surface. This technique (originally developed as an underground irrigation method - designed to limit evaporation) has been approved by the Wyoming Department of Environmental Quality for use where core drilling shows the subsurface can hold the water. This method is much less expensive than treating the water, and avoids overflow issues associated with impoundment ponds. 1st NRG is taking this process one step further by permitting a tool which will allow us to dispose of produced water within the existing wellbore. The ARID™ Aquifer Recharge Injection System was developed in order to solve the problems and costs associated with the surface discharge of CBM /CSNG produced water. This Aquifer Recharge Injection System has proven to satisfy the needs of CBM Operators, as well as landowners, environmentalists, and regulators as the safest and most cost effective method of removing water from a gas producing coal seam while at the same time saving the water in another aquifer all in the same well bore. ARID Aquifer Recharge Injection is now considered a "Best Practice" by CBM / CSNG gas producers that want to eliminate the cost and time associated with surface water discharge.

CBM Recovery Characteristics

The primary variables that affect recovery of CBM are coal thickness, gas content and permeability. Coal thickness refers to the actual thickness of the coal layer and is used to estimate how many tons of coal underlie a section of land. The estimate of the number of tons per section is multiplied by the estimated gas content of such lands to estimate the gas in place for the section. Gas content in coal is measured in terms of standard cubic feet per ton. Sufficient coal permeability is a prerequisite for economic gas flow rates because gas and water must be able to flow to the wellbore. Most gas and water flow through the cleats and other fractures in the coal. Cleat spacing is influenced by a variety of factors and greatly affects permeability.

CBM wells are drilled by contractors hired by the using small truck mounted water well rigs. Wells are often completed in multiple zones. The production profile for the surrounding wells shows water production for a short period of time (from 0 to 120 days) before initial gas production. The lowering of the static water level reduces the coal formation pressure and allows the gas to release from the coal and migrate to the well bore.

Water production is a function of the volume and pressure of water in the coals. Wells on the Clabaugh properties are expected to produce less water (than wells in other areas) before achieving economic gas production rates, because the de-watering at the numerous wells operated by other companies in the vicinity have reduced formation pressures. We do expect, however, that wells in other areas where we may acquire properties will have to undergo longer periods of de-watering. De-watering CBM wells in some parts of the PRB can take up to 24 months (or longer) before commercial gas production, which results in delayed cash flow and overall increased costs per mcf of production.

SE Ohio

Properties – SE Ohio

The Company is expanding its activities into Ohio participating in a development of prospective acreage encompassing approximately 7,000 acres. A vertical test well was drilled, logged, cored and cased to a depth of approximately 7,620 feet. Testing of the well, the results of a diagnostic fracture injection test and analysis of the cores, proved inconclusive in the Utica Shale. Because of the inconclusive results and the decline in oil prices, ECA assigned the well back to 1st NRG and its partner. We now hold a 50% working interest in the well and are proceeding in two zones of interest, the Conasauga formation and the Beekmantown Dolomite. We expect the well to be put online in April 2015 once the local road restrictions

allow for movement of the equipment needed for completion. We are eagerly anticipating the flow testing of the Conasauga formation through the current perforations since there are not any producing Conasauga wells in the State of Ohio. There are however over 1,500 wells in Ohio which have been completed and produce from the Beekmantown Dolomite, EUR's ranged from 24 MCFE to 3.95 BCF. The Beekmantown will be completed after the flow test of the Conasauga formation.

1st NRG Properties – Wells and Locations

Our current asset base at Clabaugh Ranch is about 27% developed; currently the 39 of the 42 drilled wells are commingling gas produced from three coals – the Swartz, Anderson and the Canyon coals. One well is reporting production from the Wall coal. When produced natural gas and water from these coal seams subsides, the other behind pipe coal seams should be perforated with production from those coal using the same well bores and equipment (pumps, electricity, water and natural gas gathering systems). This will result in lower total development and operating costs per mcf for the property. In total we have identified 474 separate coals seams for development of which only 126 (42 wells X 3 seams) have been completed. There is one permitted location we intend to develop and acreage for 35 locations which could be permitted in the future.

Summarized below is the current position of 1st NRG in wells, producing and future coal seams:

By Permit Status	Gross Wells	Net Wells to FNRC
Drilled	42.00	1.22
Permitted	1.00	.88
Future	35.00	6.27
Total Wells	78.00	8.37

Producing Wells	42.00	1.22
Non-Producing	36.00	7.15
Total Wells	78.00	8.37

Coal Seams	Coal Seams	Net Coal Seams
PDP	42	1.22
PDNP	35	1.00
PUD	66	15.33
Probable	227	23.67
Possible	104	16.00
Total Coal Seams	474	56.92

In Ohio one gross well has been drilled (0.4175 net). The well is undergoing testing and as such has not yet been classified

1st NRG Properties – Leasehold

The current Clabaugh Ranch field is comprised of Federal, and Fee leasehold. The current development at Clabaugh Ranch is on approximately 6,261 gross acres as described in the following table:

	Number of Wells	Gross Acres	
		Developed	Undeveloped
Fee	27	2,129.75	276.45
Communitized	6	472.37	
Federal	9	707.04	2,676.13
	42	3,309.16	2,952.58

Mountain Hawk Energy is the current operator of the 42 producing wells at Clabaugh Ranch and they hold the surface use agreement (SUA) with the landowner. This agreement drives the overall ability to access roads, wells, infrastructure (gas, water electric lines) as well as the development of future locations and infrastructure. In October 2014 we were notified via

a lawsuit, that Mountain Hawk had not paid the amounts due the landowner under the SUA. The parties are working toward a settlement

Title to Properties

As is customary in the natural gas industry, we initially conduct only a cursory review of the title to our properties on which we do not have proved reserves. Prior to the commencement of drilling operations on those properties, we conduct a thorough title examination and perform curative work with respect to significant defects. To the extent title opinions or other investigations reflect title defects on those properties; we are typically responsible for curing any title defects at our expense. We generally will not commence drilling operations on a property until we have cured any material title defects on such property. Prior to completing an acquisition of producing leases, we perform title reviews and, depending on the materiality of properties, we may obtain a title opinion or review previously obtained title opinions. As a result, we believe that we have satisfactory title to our properties in accordance with standards generally accepted in the natural gas industry. Our properties will be subject to customary royalty and other interests, liens for current taxes and other burdens which we believe do not materially interfere with the use of or affect our carrying value of the properties.

Seasonal Nature of Business

Seasonal weather conditions and lease stipulations can limit our drilling activities and other operations in certain areas of Wyoming and, as a result, we seek to perform the majority of our drilling during the summer months. These seasonal anomalies can pose challenges for meeting our well drilling objectives and increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay our operations.

Environmental Matters and Regulation

General. Our operations are subject to stringent and complex federal, state and local laws and regulations governing environmental protection as well as the discharge of materials into the environment. These laws and regulations may, among other things:

- require the acquisition of various permits before drilling commences;
- enjoin some or all of the operations of facilities deemed in non-compliance with permits;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with natural gas drilling, production and transportation activities;
- limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas; and
- require remedial measures to mitigate pollution from former and ongoing operations, such as requirements to close pits and plug abandoned wells.

These laws, rules and regulations may also restrict the rate of natural gas production below the rate that would otherwise be possible. The regulatory burden on the natural gas industry increases the cost of doing business in the industry and consequently affects profitability. Additionally, Congress and federal and state agencies frequently revise environmental laws and regulations, and the clear trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. Any changes that result in more stringent and costly waste handling, disposal and cleanup requirements for the natural gas industry could have a significant impact on our operating costs.

The following is a summary of some of the existing laws, rules and regulations to which our business operations are subject.

Waste Handling. The Resource Conservation and Recovery Act, or RCRA, and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the federal Environmental Protection Agency, or EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Drilling fluids, produced waters, and most of the other wastes associated with the exploration, development, and production of crude oil or natural gas are currently regulated under RCRA's non-hazardous waste provisions. However, it is possible that certain natural gas exploration and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future.

Any such change could result in an increase in our costs to manage and dispose of wastes, which could have a material adverse effect on our results of operations and financial position. Also, in the course of our operations, we generate some amounts of ordinary industrial wastes, such as paint wastes, waste solvents, and waste oils that may be regulated as hazardous wastes.

Comprehensive Environmental Response, Compensation and Liability Act. The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current and past owner or operator of the site where the release occurred, and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. Under CERCLA, such persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. In addition, it is not uncommon for neighboring landowners and other third-parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

Water Discharges. The Federal Water Pollution Control Act, or the Clean Water Act, and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by EPA or an analogous state agency. Spill prevention, control, and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a petroleum hydrocarbon tank spill, rupture, or leak. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations.

Air Emissions. The Federal Clean Air Act, and comparable state laws, regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other requirements. In addition, EPA has developed, and continues to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. States can impose air emissions limitations that are more stringent than the federal standards imposed by EPA, and California air quality laws and regulations are in many instances more stringent than comparable federal laws and regulations. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the federal Clean Air Act and associated state laws and regulations.

National Environmental Policy Act. Natural gas exploration and production activities on federal lands are subject to the National Environmental Policy Act, or NEPA. NEPA requires federal agencies, including the Department of Interior, to evaluate major agency actions having the potential to significantly impact the environment. In the course of such evaluations, an agency will prepare an Environmental Assessment that assesses the potential direct, indirect and cumulative impacts of a proposed project and, if necessary, will prepare a more detailed Environmental Impact Statement that may be made available for public review and comment. All of our current exploration and production activities, as well as proposed exploration and development plans, on federal lands require governmental permits that are subject to the requirements of NEPA. This process has the potential to delay the development of natural gas projects.

Pipeline Safety. Pipelines are subject to regulation by the U.S. Department of Transportation, or the DOT, pursuant to the Hazardous Liquid Pipeline Safety Act. The DOT, through the Office of Pipeline Safety, recently promulgated a series of rules which require pipeline operators to develop pipeline integrity management programs for transportation pipelines located in “high consequence areas.” “High consequence areas” are currently defined as areas with specified population densities, buildings containing populations of limited mobility, and areas where people gather that are located along the route of a pipeline. Integrity management program elements include requirements for baseline assessments to identify potential threats to each pipeline segment, reassessments, and reporting and recordkeeping.

OSHA and Other Laws and Regulation. We are subject to the requirements of the federal Occupational Safety and Health Act, or OSHA, and comparable state statutes. These laws and the implementing regulations strictly govern the protection of the health and safety of employees. The OSHA hazard communication standard, EPA community right-to-know

regulations under the Title III of CERCLA and similar state statutes require that we organize and/or disclose information about hazardous materials used or produced in our operations.

The Kyoto Protocol to the United Nations Framework Convention on Climate Change, or the Protocol, became effective in February 2005. Under the Protocol, participating nations are required to implement programs to reduce emissions of certain gases, generally referred to as greenhouse gases that are suspected of contributing to global warming. The United States is not currently a participant in the Protocol, and Congress has not actively considered recent proposed legislation directed at reducing greenhouse gas emissions. Other states have also adopted legislation addressing greenhouse gas emissions from various sources, primarily power plants. The natural gas industry is a direct source of certain greenhouse gas emissions, namely carbon dioxide and methane, and future restrictions on such emissions could impact our future operations. It is not possible, at this time, to estimate accurately how regulations that may be adopted to address greenhouse gas emissions would impact our business.

We are not aware of any environmental issues or claims that will require material capital expenditure. However, accidental spills or releases may occur in the course of our operations, and we cannot assure that we will not incur substantial costs and liabilities as a result of such spills or releases, including those relating to claims for damage to property and persons. Moreover, we cannot assure that the passage of more stringent laws or regulations in the future will not have a negative impact on our business, financial condition, and results of operations.

Other Regulation of the Natural Gas Industry

The natural gas industry is extensively regulated by numerous federal, state and local authorities. Legislation affecting the natural gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden. Also, numerous departments and agencies, both federal and state, are authorized by statute to issue rules and regulations binding on the natural gas industry and its individual members, some of which carry substantial penalties for failure to comply. Although the regulatory burden on the natural gas industry increases the cost of doing business and, consequently, affects profitability, these burdens generally will not affect us any differently or to any greater or lesser extent than they affect other companies in the industry with similar types, quantities and locations of production.

Our operations are subject to various types of regulation at federal, state and local levels. These types of regulation include requiring permits for the drilling of wells, drilling bonds and reports concerning operations. Most states, and some counties and municipalities regulate one or more of the following:

- the location of wells;
- the method of drilling and casing wells;
- the surface use and restoration of properties upon which wells are drilled;
- the plugging and abandoning of wells; and
- notice to surface owners and other third parties.

State laws regulate the size and shape of drilling and spacing Shares or proration Shares governing the pooling of natural gas properties. Some states allow forced pooling or integration of tracts to facilitate exploration while other states rely on voluntary pooling of lands and leases. These laws and regulations may limit the amount of natural gas we can produce from our wells or limit the number of wells or the locations at which we can drill. Moreover, Wyoming imposes conservation and severance taxes on the production and sale of natural gas within its jurisdiction.

Natural Gas Regulation. The availability, terms and cost of transportation significantly affect sales of natural gas. The interstate transportation and sale for resale of natural gas is subject to federal regulation, including regulation of the terms, conditions and rates for interstate transportation, storage and various other matters, primarily by the Federal Energy Regulatory Commission. Federal and state regulations govern the price and terms for access to natural gas pipeline transportation. The Federal Energy Regulatory Commission's regulations for interstate natural gas transmission in some circumstances may also affect the intrastate transportation of natural gas.

Although natural gas prices are currently unregulated, Congress historically has been active in the area of natural gas regulation. We cannot predict whether new legislation to regulate natural gas might be proposed, what proposals, if any, might actually be enacted by Congress or the various state legislatures, and what effect, if any, the proposals might have

on the operations of the underlying properties. Sales of condensate and natural gas liquids are not currently regulated and are made at market prices.

State Regulation. Wyoming regulates the drilling for, and the production, gathering and sale of, natural gas, including imposing severance and conservation taxes and requirements for obtaining drilling permits. Wyoming currently imposes a severance tax on natural gas producers at the rate of 6% of the value of the gross product extracted. Reduced rates may apply to certain types of wells and production methods, such as new wells, renewed wells, stripper production and tertiary production.

Wyoming also regulates the method of developing fields, the spacing and operation of wells and the prevention of waste of natural gas resources. States do not regulate wellhead prices or engage in other similar direct economic regulation, but there can be no assurance that they will not do so in the future. The effect of these regulations may be to limit the amounts of natural gas that may be produced from our wells, and to limit the number of wells or locations we can drill.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Management of 1st NRG Corp.

Kevin Norris - Director - CEO. Mr. Norris has 35 years of industry experience with various energy companies including Apache Corporation, Universal Fuels Company, TOP Gas Gathering and BlueCreek Energy. Through his career, Mr. Norris has been involved in the drilling, operating, transportation and marketing of both oil and gas wells and specifically CBM (Coal bed Methane) wells for the past 13 years. Mr. Norris spent 15 years with e2 Business Services, Inc. a company which provided outsourced administration and marketing services, as well as software solutions. While at e2, Mr. Norris aided the company in its design of a proprietary gas control system designed specifically to accommodate wellhead gas scheduling, marketing, allocations, balancing, invoicing and accounting for wellhead and downstream gas transactions. After founding BlueCreek Energy in 2006, the company grew to ownership in 78 producing wells (42 operated) and over 20 BCF in reserves (3P). Mr. Norris received a Bachelor of Science degree in Business Administration from Colorado State University in 1979. He is also a past Chairman of the IPAMS Natural Gas Committee.

William Ellingson – Director. Mr. Ellingson was appointed to the Company's Board of Directors in July 2011. Mr. Ellingson has over 35 years in the financial services industry including structured finance, distressed assets, equipment leasing and project financing. He is responsible in over 1$B in transactions including oil and gas, mining, chemicals, transportation and power. A successful investor involved in the turnaround of several companies. Mr. Ellingson received Bachelor of Science (Finance and Economics), University of Montana, 1975

Jon Roddy – Director. Mr. Jon Roddy was appointed to the Company's Board of Directors in July 2011. Mr. Roddy has 25 years of experience as a sales and operations executive in the technology, energy and telecommunications sectors. Most recently, Mr. Roddy was the majority owner and managing partner of Jackson Energy Partners, LLC, which was acquired by 1st NRG Corp in the fourth quarter of 2010. Jackson Energy was an emerging energy company involved in the exploration, drilling and marketing of natural gas resources in the Powder River Basin of Wyoming. Mr. Roddy was responsible for day-to-day operations of Jackson Energy including its technology, software solutions and green initiatives. Prior to Jackson Energy, Mr. Roddy held various executive positions in the high tech and telecommunications industry focusing on sales, operations and engineering. Mr. Roddy holds two Bachelor of Arts degrees from James Madison University's School of Business.

Joseph J. Schmidt – CFO. Mr. Schmidt has been in the banking and financial services industry for 24 years. Throughout his career he has managed sophisticated financial portfolios in technology, law, transportation, oil and gas, land

management, and marketing. As a senior vice president and private banking client manager for UMB Investment and Wealth Management, Mr. Schmidt was responsible for comprehensive financial consultation, customized short-term and long-term credit solutions with preferred pricing, cash management solutions, and structuring premium FDIC insured deposit accounts. Prior to UMB, Mr. Schmidt has worked for other financial organizations such as CoBiz Financial, Wells Fargo, and Western Financial Bank. Mr. Schmidt received a Bachelor of Arts degree in Social Sciences with a concentration in Pre-Law from Colorado State University in Ft. Collins, Co. He also received an MBA from Regis University in Denver, Co. and his post graduate work is further enhanced by graduating from the esteemed Executive Leadership Program in the Daniel's College of Business at the University of Denver.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

   None

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Beneficial Owner	Number of Shares	Percentage of Outstanding
Kevin Norris 1531 Stout Street, Suite 607 Denver, CO. 80202	375,104	40.78%
William Ellingson 1531 Stout Street, Suite 607 Denver, CO. 80202	375,052	40.77%

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Benjamin Bunker
Firm: Bunker Law Group, PLLC
Address 1: 3753 Howard Hughes Parkway
Address 2: Suite 200, Las Vegas NV 89169
Phone: 702-784-5990
Email: benbunker@bunkerlawgroup.com

Accountant or Auditor
Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations Consultant
Name: Brad Holmes
Firm: Energy IR
Address 1: 3900 Essex Lane, Suite 950
Address 2: Houston, TX 77027
Phone: 713-304-6962
Email: b_holmes@att.net

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: Ed Renyk
Firm: _____
Address 1: 6122 49 Ave.
Address 2: Delta, BC, V4K 1Z1_____
Phone: _____
Email: _____

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Kevin Norris certify that:

1. I have reviewed this annual disclosure statement of 1st NRG Corp.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 30, 2015

"/s/ Kevin Norris CEO

"/s/ Joseph Schmidt CFO