LIG ASSETS, INC.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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LIG ASSETS, INC.

Consolidated Balance Sheet

ASSETS	(Unaudited) December 31, 2014	(Unaudited) December 31, 2013
Current Assets		
Cash	$ 422	$ 33,245
Total Current Assets	-	33,245
Fixed Assets		
Equipment net of depreciation	10,868	28,534
Total Fixed Assets	10,868	28,534
Other Assets		
Notes receivable	30,000	40,000
Investments- Real estate	13,443,735	20,471,465
Investment- LIG entertainment	135,000	122,500
Investment- Operating leases	160,000	-
Total Other Assets	13,768,735	20,633,965
Total Assets	$ 13,780,025	$ 20,695,744
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accrued expense	1,069,625	74,133
Accrued interest expense	388,095	-
Taxes payable	-	142,070
Notes payable - Clear Pointe	1,300	-
Notes payable - TCA	500,000	738,000
Convertible notes payable	163,745	-
Total Current Liabilities	2,122,765	954,203
Long-term liabilities		
Real Estate Note - FP Management	13,443,735	14,280,000
Convertible notes payable	40,000	90,000
Total long-term liabilities	13,483,735	14,370,000
Total Liabilities	15,606,500	15,324,203
Stockholders' Deficit		
Treasury stock 8,489,401 shares as of Dec 31, 2013	-	98,569
Preferred Stock, authorized 50,000,000 shares, series A, $0.0001 par value, 50,000,000 issued and outstanding as of December 31, 2014 and 14,000,000 issued and outstanding as of December 31, 2013 respectively	5,000	1,400
Common Stock, authorized 625,000,000 shares, $0.0001 par value, 589,804,183 issued and outstanding as of December 31, 2014 and 214,066,175 shares issued and outstanding as of December 31, 2013, respectively	58,980	21,407

Additional Paid in Capital	1,157,213	869,669
Accumulated Comprehensive Loss	(5,412,216)	
Accumulated Retained Earnings	2,364,548	4,380,496
Total Stockholders' Equity (Deficit)	(1,826,475)	5,371,541
Total Liabilities and Stockholders' Equity (Deficit)	$ 13,780,025	$ 20,695,744

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

LIG Assets, Inc.
Consolidated Statements of Operations

	For the year Ended December 31, 2014	For the Year Ended December 31, 2013
Income		
Total Revenue	$ 2,651,068	$ 2,511,347
Cost of Revenue	-	-
Gross Profit	2,651,068	2,511,347
Operating Expenses		
Management fees	292,909	183,583
Property repairs and expense	400,761	495,853
General and admin expense	2,042,180	881,347
Total Operating Expenses	2,735,850	1,560,783
Net Operating Gain (Loss)	(84,782)	950,564
Other Income (Expense)		
Derivative expense	-	-
Interest expense	(1,843,597)	(1,440,584)
Total Income (Expenses)	(1,843,597)	(1,440,584)
Loss before Taxes	(1,928,379)	(490,020)
Tax provisions	-	-
Net Loss	$ (1,928,379)	$ (490,020)
Other Comprehensive Income		
Gain (Loss) on		
Change in accounting practice	(5,412,216)	-
Total Loss	(7,340,595)	(490,020)
Earnings (loss) per share; Basic		
and diluted	$ (0.007)	$ (0.003)
Weighted average number of		
shares outstanding	275,625,854	162,174,015

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

LIG Assets, Inc

Consolidated Statements of Stockholders' Deficit

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in	Retained	Total Stockholders
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance, December 31, 2012	-	$ -	99,911,103	$ 9,991		$	$ 1,505,050	$ 6,970,891	$ 8,485,932
preferred stock issued	14,000,000	1,400							1,400
stock issued for debt	-	-	114,155,072	11,416			(635,381)	-	(623,965)
Purchase of Treasury					(8,489,401)	(98,569)			(98,569)
Net loss for period ending Dec 31, 2013	-	-	-	-			-	(2,590,395)	(2,590,395)
Balance, December 31,2013	14,000,000	$ 1,400	214,066,175	21,407	(8,489,401)	(98,569)	869,669	4,380,496	5,174,403
Preferred stock cancelled	(4,000,000)	(400)	-	-	-	-	-	-	(400)
Preferred stock issued for share exchange	40,000,000	4,000	-	-	-	-	156,000	-	160,000
Sale of treasury stock	-	-	-	-	8,489,401	98,569	-	-	98,569
Stock issued for debt	-	-	375,738,008	37,574			131,544	-	169,118
Accumulated Comprehensive Loss	-	-	-	-	-	-	-	(5,412,216)	(5,412,216)
Retained earnings-loss on sale of TS	-	-	-	-	-	-	-	(87,569)	(87,569)
Net loss for period ending Dec 31, 2014	-	-	-	-			-	(1,928,379)	(1,928,379)
Balance, December 31, 2014	50,000,000	$ 5,000	589,804,183	$ 58,980	-	$ -	$ 1,157,213	$ (3,047,668)	$ (1,826,475)

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

LIG Assets, Inc.

Consolidated Statements of Cash Flows

(Unaudited)

		For the Year Ended December 31, 2014
Cash Flows from Operating Activities:		
Net Loss	$	(1,928,379)
Retained earnings- loss on sale of Treasury stock		(87,569)
Comprehensive Income loss		(5,412,216)
Adjustments to Reconcile Net Loss to Net Cash Used by Operations:		
Stock issued for services		-
Stock issued for debt refinancing		-
Change in accounting practices		5,412,216
Derivative expense		-
Depreciation expense		2,666
Changes in Operating Assets and Liabilities:		
Increase in Inventory		-
Decrease in assets-truck		15,000
Decrease in accounts payable		(378,770)
Increase in Mortgage payable		779,249
Increase in accrued expenses		1,379,084
Net Cash Used by Operating Activities		(218,719)
Cash Flows from Investing Activities:		
Purchase of fixed assets		-
Net Cash Provided by Investing Activities		-
Cash Flows from Financing Activities:		
Proceeds from sale of stock		-
Proceeds from Convertible notes		175,896
Proceeds from note receivable		10,000
Net Cash Provided by Financing Activities		185,896
Net Increase (Decrease) in Cash		(32,823)
Cash at Beginning of Period		33,245
Cash at End of Period	$	422

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

LIG ASSETS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013

NOTE – 1 ORGANIZATION AND BUSINESS BACKGROUND

LIG Assets, Inc. ("Company") was incorporated in the State of Nevada on October 14, 2008.

The Company acquires, rehabilitates and resells or rents homes for profit throughout Texas. The Company has homes that it owns and manages directly, homes that it owns that are managed by a third party, and homes that it owns the mortgages on. The properties managed by a third party company, which is performing very well in terms of occupancy and delinquency rates, are controlled to a great degree by the third party management company.

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP received 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP. In exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2014 and December 31, 2013, the Company had no cash equivalents.

Fair value of financial instruments

The Company adopted the provisions of FASB ASC 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.
Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those instruments. The Company's note payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2014 and December 31, 2013.

The Company had no assets and/or liabilities measured at fair value on a recurring basis at December 31, 2014 and December 31, 2013, using the market and income approaches.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method over the assets estimated useful life of three (3) years for equipment, (5) years for automobile, and (7) years for furniture and fixtures. Upon sale or retirement of property and equipment, the related cost and

accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Impairment of long-lived assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, such as intellectual property, are required to be reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of December 31, 2014 and December 31, 2013.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition, the Company records allowances for accounts receivable that are estimated to not be collected.

Net income (loss) per share

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

There were 1,018,725,000 potentially dilutive shares outstanding as of December 31, 2014 which were from the outstanding convertible notes payable.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

Recently issued accounting pronouncements

Company management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

NOTE – 3 GOING CONCERN

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a total loss to date of $3,047,668 The Company's ability to continue as a going concern is contingent upon its ability to achieve and maintain profitable operations, and the Company's ability to raise additional capital as required.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

NOTE – 4 ACQUISITION OF CP RESOURCES, LLC AND WEST COAST PARTNERS, LLC

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	December 31, 2014	December 31, 2013
Equipment - computers	$ 16,719	$ 16,719
Office furniture	10,349	10,349
	27,068	27,068
Less: accumulated depreciation	(16,200)	(13,534)
	$ 10,868	$ 13,534

NOTE 6 – NOTES RECEIVABLE

As of December 31, 2014, $30,000 remained to be collected on the SAMP note. Payments on this note are scheduled to be completed in early 2015.

NOTE 7 – REAL ESTATE INVESTMENT

As of the quarter ended September 30, 2014, the Company lowered the value of its real estate holdings to $15,059,249 based on a change in accounting practices. The current values reflect the cost of the investment. The Company had previously carried the investment at market value. As of the Year ended December 31, 2014 certain of the properties were dropped from the contract for deed and the total value (based on cost) of the real estate holdings is $13,443,735. As of December 31, 2013, the Company had valued the investment at $20,471,465.

NOTE 8 - LIG ENTERTAINMENT

As of the year ended December 31, 2014, the Company has advanced a filming company $135,000 for half ownership in two movies that were produced in the Austin, Texas area. The movies are complete but still have some final editing to be completed before they are released. Release date for the movies is not known at this time. Proceeds from the sale of the films when received will be used to retire debt.

NOTE 9 - INVESTMENTS IN OPERATING LEASES

As of the year ended December 31, 2014, the company has an investment in operating oil and gas leases of $160,000. Based on the share exchange agreement with Black Pearl Petroleum the Company acquired CP Resources, LLC and West Coast Partners, LLC. Both companies carried the investment in leased oil and gas properties at cost and this amount of $160,000 is reflected on the consolidated statement.

NOTE 10 - ACCRUED EXPENSE

As of the year ended December 31, 2014, the Company has $1,069,625 in accrued expenses. Part of this expense is to cover estimated interest on current unpaid items and contingent liability items.

NOTE 11 - ACCRUED INTEREST EXPENSE

As of the year ended December 31, 2014, the Company accrued $388,095 in interest expense. This figure is made up of the interest due on the TCA Global note of $367,395 and interest due on convertible notes of $20,700.

NOTE 12 - NOTES PAYABLE TCA

As of the year ended the Company has a loan with TCA Global in the principal amount of $500,000 with accrued interest and penalty in the amount of $367,395 for a total amount due TCA of $867,395. The proceeds from the loan were used for the purpose of funding the movie, and paying company expenses. Repayment will be made with future property sales and when and if the movie sells. The loan is currently in default for non-payment. TCA has several courses of action, which it could take in remediation, including conversion to common stock and/or other legal action.

NOTE 12 – REAL ESTATE NOTE

As of the year ended December 31, 2014 the Company owed $13,443,735 on all of its properties. The majority of real estate assets are under a contract for deed and not direct title. The direct owner, who is the property manager, holds any positive or negative cash flow which may or may not accrue to the benefit of the Company when and if the Company obtains direct title. This amount is not included in Cash and the Company does not have access to the cash. The Company has equitable ownership of the mortgages/properties via a Contract for Deed further secured by a Note, and has equitable title to the mortgages/properties, though the property manager has the right to foreclose on the assets under certain circumstances. As a result, unless the company is able to refinance or renegotiate the present mortgage agreement there is a risk of losing all of the real estate investments.

Mortgages and Properties are sold throughout the year as required. These statements are updated to reflect the loan balances. The interest rate paid to fund the ownership of the real estate assets in the financials is high, as is typical

of residential investment properties. The Company is evaluating alternatives to refinance those assets at lower rates. The Company has not yet been able to refinance and may or may not be able to implement a refinancing. When and if financing is obtained, the company would take direct title and have access to the cash flow if any.

NOTE – 13 CURRENT CONVERTIBLE NOTES PAYABLE

During the year ended December 31, 2014, the Company issued convertible notes payable in the amount of $218,566 to fund its operations. As of the year ended December 31, 2014 the Company converted $54,821 of this debt to the Company's common stock leaving a balance of $163,745 in convertible notes payable as of December 31, 2014. The Company has accrued $12,700 in unpaid interest as of December 31, 2014. The Company had no current convertible notes payable as of December 31, 2013.

NOTE – 14 LONG TERM CONVERTIBLE NOTES PAYABLE

On January 25, 2013, the Company executed a long term convertible note payable in the amount of $40,000 to fund its operations. The note will mature in March of 2016. The Company has accrued $8,000 in unpaid interest as of December 31, 2014. The Company had $90,000 of long term convertible notes payable as of December 31, 2013.

NOTE – 15 STOCKHOLDERS' EQUITY

During the year ended December 31, 2014 the Company sold its Treasury stock for $11,000.

The Company is authorized to issue 625,000,000 shares of common stock, 50,000,000 shares of Series A Preferred Stock all with a par value of $.0001. The holders of Series A Preferred Stock have the right to convert 1 share of Series A Preferred into 1 share of the Company's common stock. The holders of Series A Preferred are also entitled to 20 votes per 1 vote of common stock voting together with holders of common stock.

On August 20, 2014, the Company issued 36,000,000 shares of preferred stock to Black Pearl Petroleum in connection with the share exchange agreement where the Company acquired all of the shares of CP Resources, LLC and West Coast Partners, LLC.

From January 1, 2013 to December 31, 2013, the Company issued 114,155,072 shares of restricted common stock in settlement of Company debt.

From January 1, 2014 to December 31, 2014 the Company issued 375,738,008 Shares of restricted common stock in settlement of $169,118 of convertible notes and interest payable.

NOTE – 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that other than listed below, no material subsequent events exist through the date of this filing.

1. Subsequent to the year ending December 31, 2014, the Company issued $30,000 of debentures.

2. Subsequent to the year ended December 31, 2014 the Company has increased its authorized common stock to 2,400,000,000 shares.

3. Subsequent to the year ended December 31, 2014, the Company has issued 1,047,866,667 shares of common stock for conversion of Company debt.

4. Subsequent to the year ended December 31, 2014 the Company entered into a Master Exchange Agreement with Magna Equities I, LLC wherein Magna agreed to purchase the debt of TCA Global and then exchange

the debt for the Company's common stock. Magna then took down $50,000 of the TCA Global debt and is in the process of exchanging it for the Company's common stock. During this process Magna has opted out of the Master Exchange agreement based on the price of the Company's stock dropping below their minimum established price

5. Subsequent to the year ended December 31, 2014 the Company by a resolution of its board of directors, amended its certificate of designation to state that holders of Series A Preferred Stock shall be entitled to 50 votes per 1 vote of common stock, voting together with the holders of common stock and also that holders of Series A Preferred Stock will also be entitled to convert 1 share of Series A Preferred Stock into 50 shares of common stock at any time.