

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **March 31, 2015**

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from [] to []

Commission file number **000-30193**

NATION ENERGY INC.

(Exact name of registrant as specified in its charter)

Wyoming

(State or other jurisdiction of incorporation or organization)

59-2887569

(I.R.S. Employer Identification No.)

**RPO Box 60610 Granville Park
Vancouver, British Columbia, Canada**

(Address of principal executive offices)

V6H 4B9

(Zip Code)

Registrant's telephone number: **(604) 331-3399**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
None

Name of each exchange on which
registered
None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, with no par value

(Title of class)

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒.

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes [☐]; No [X].

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [☐]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of the Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [x] No [☐]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10K. [☐]

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [☐]

Accelerated filer [☐]

Non-accelerated filer [☐]

Smaller reporting company [X]

(Do not check if a smaller reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes [X] No [☐]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: **\$92,330 based on a price of \$0.020 per share, being the price at which the common equity was last sold on September 30, 2014.**

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **150,020,000 common shares issued and outstanding as of June 3, 2015.**

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The

listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980).

PART I

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology.

The material assumptions supporting these forward-looking statements include, among other things:

- our ability to obtain necessary financing on acceptable terms;
- retention of skilled personnel;
- the timely receipt of required regulatory approvals;
- continuation of current tax and regulatory regimes;
- current exchange and interest rates; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" and the risks set out below, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- our ability to establish or find resources or reserves;
- liabilities inherent in natural gas and crude oil operations;
- uncertainties associated with estimating natural gas and crude oil resources or reserves;
- geological, technical, drilling and processing problems;
- competition for, among other things, capital, resources, undeveloped lands and skilled personnel;
- assessments of the acquisitions;
- risks related to commodity price fluctuations;

- the uncertainty of profitability based upon our history of losses;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms for our planned exploration and development projects;
- risks related to environmental regulation and liability;
- risks that the amounts reserved or allocated for environmental compliance, reclamation, post-closure control measures, monitoring and on-going maintenance may not be sufficient to cover such costs;
- risks related to tax assessments;
- political and regulatory risks associated with oil and gas exploration;
- other risks and uncertainties related to our prospects, properties and business strategy; and
- The Company is categorized as a “shell company” as that term is used in the Securities and Exchange Commission’s rules.

This list is not an exhaustive list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements.

Forward looking statements are made based on management’s beliefs, estimates, and opinions on the date the statements are made. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performances or achievements. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with the United States Generally Accepted Accounting Principles.

As used in this annual report, the terms "we", "us", "our", and "Nation Energy" mean Nation Energy Inc., unless otherwise indicated.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common shares” refer to the common shares in our capital stock.

ITEM 1. BUSINESS

We were formed under the laws of the State of Florida on April 19, 1988 under the name Excalibur Contracting, Inc. and from that date until September 1998, we conducted no business and existed as a shell corporation. After the restatement of our Articles of Incorporation on September 16, 1998, our main focus was the procurement of mineral leasehold interests, primarily for oil and gas exploitation rights. We reincorporated as a Delaware corporation on February 2, 2000 and changed our name to Nation Energy, Inc. on February 15, 2000. Following the change in our focus, we

commenced corporate strategic development and explored potential oil and gas projects. On June 13, 2003 we moved our state of domicile from the state of Delaware to the State of Wyoming. We accomplished this re-domicile by merging with our wholly-owned Wyoming subsidiary.

Our Current Business

Following the sale of all of our oil and gas operations effective June 1, 2008, we began to actively seek new oil and gas opportunities. On October 11, 2013, we entered into a letter agreement with Paltar Petroleum Limited, an Australian company, pursuant to which we agreed to acquire four exploration and development permits and twenty-nine applications for exploration and development permits in respect of prospective acreage located in northern Australia. On March 31, 2014, we amended this letter agreement and, on November 27, 2014, we amended and restated the letter agreement to add additional exploration properties and provided for new closing terms. We filed a copy of this amended and restated letter agreement as an exhibit to our Form 8K filed on EDGAR December 1, 2014 or in the news release dated November 28, 2014 filed on SEDAR.

Among other things, the amended and restated letter agreement provides that:

1. We will acquire all of Paltar's oil and gas assets, including its 50% interest in Northern Territory Exploration Permits 136 and 143;
2. Prior to closing, we will increase our authorized capital from 100,000,000 common shares to 5,000,000,000 common shares;
3. We were to pay to Paltar the sum of \$200,000 upon execution of the amended and restated letter agreement. This amount was paid in November 2014 by John Hislop, our President and sole director.
4. On execution of the amended and restated letter agreement, Paltar was to transfer to our company all of the issued and outstanding shares of Officer Petroleum Pty. Ltd. in consideration for our assumption of an outstanding debt in the amount of AUD\$204,000 (approximately \$155,520) due to John Hislop, our President and sole director. Officer Petroleum Pty. Ltd. owns record title to Exploration Permit 468, covering prospective land in Western Australia.
5. At or after closing, we will be required to pay to Paltar the sum of AUD\$765,675 (approximately \$583,720) and issue two promissory notes. The first of these promissory notes will be a one year note in the amount of US\$2,500,000; the second will be a three year note in the amount of US\$10,000,000. These promissory notes are to provide that they will be repaid out of proceeds raised by our company in public or private offerings, joint ventures, farm-ins or other similar arrangements;
6. At closing, we are to issue 600,000,000 restricted common shares to Paltar – these shares will be subject to resale restrictions imposed by applicable law and a three (3) year lockup agreement;
7. Prior to closing, we were required to settle approximately \$1,340,000 of debt

owed to John Hislop for common shares at a price of \$0.01 per share. We settled this debt pursuant to an agreement dated April 21, 2015 and issued 134,000,000 of our common shares to Mr. Hislop on April 23, 2015;

8. The asset purchase is subject to due diligence (by both parties), board and Paltar shareholder approval and other matters contemplated by the Letter Agreement. Paltar's shareholders approved the transaction on February 27, 2015;
9. After the closing of the asset purchase, we have agreed that we will register for resale up to 145,000,000 common shares of Nation beneficially owned by Mr. Hislop.

The amended and restated letter agreement provided for a closing no later than April 15, 2015, but it has not yet closed, primarily because we continue to discuss structure and the need for government approval of any transfer of the Australian exploration permits.

On April 29, 2015, the Company amended the amended and restated letter agreement to extend the closing date to July 15, 2015 as well as the maturity dates of the two promissory notes referred to in paragraph 1 and the promissory note referred to in sections 6 and 7 of the Amended and Restated Letter Agreement to July 31, 2015.

We currently have no business and operate as a shell company. We are in the process of evaluating the merits of joint venture opportunities in the resource sector.

Competition

The oil and gas industry is intensely competitive. Conducting our business in an environment that is highly competitive and unpredictable we may become involved in an acquisition with more risk or obtain financing on less favourable terms. In seeking out prospective properties, we have encountered intense competition in all aspects of our proposed business as we compete directly with other development companies as well as established international companies. Many of our competitors are national or international companies with far greater resources, capital and access to information than us. Accordingly, these competitors may be able to spend greater amounts on the acquisition of prospective properties and on the exploration and development of such properties. In addition, they may be able to afford greater geological expertise in the exploration and exploitation of mineral and oil and gas properties. This competition could result in our competitors having resource properties of greater quality and attracting prospective investors to finance the development of such properties on more favourable terms.

Compliance with Governmental Regulations

Oil and gas operations are subject to various governmental regulations. Matters subject to regulations include discharge permits for drilling operations, drilling and abandonment bonds, reports concerning operations, the spacing of wells and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and gas wells below actual production capacity in order to conserve supplies of oil and gas. The production, handling, storage, transportation and disposal of oil and gas, by-products thereof, and

other substances and materials produced or used in connection with oil and gas operations are also subject to regulation under federal and local laws and regulations relating primarily to the protection of human health and the environment. Expenditures related to complying with these laws, and for remediation of existing environmental contamination have not been significant in relation to the results of operations of our company. The requirements imposed by such laws and regulations are frequently changed and subject to various interpretations. We are unable to predict the ultimate cost of compliance or its effect on any future operations.

Employees

We have no employees other than John Hislop, our president, chief executive officer, chief financial officer and sole director. Mr. Hislop also acts as our secretary and treasurer. We anticipate that we will be conducting most of our business through agreements with consultants and third parties. On January 1, 2009, we entered into a written contract with Caravel Management Corp., to provide office rent, reception, compliance and accounting services for \$7,865 per month. The agreement commenced on January 1, 2009 and continues on a month to month basis unless terminated by the parties. The agreement may be terminated by either party upon 30 days' notice. One year following the effective date of the agreement, the monthly fee increased by 3% subject to any required regulatory or stock exchange approval. We presently have no other employment or consulting agreements. The agreement was amended effective November 1, 2010 to reduce the fees for administrative services to \$3,500 per month. There have been no further amendments entered into since November 2010.

Environment

Our prior oil and gas business was subject to laws and regulations that controlled the discharge of materials into the environment and the proper handling and disposal of waste materials. In operating and owning petroleum interests, we may be liable for damages and the costs of removing hydrocarbon spills for which we are held responsible. Laws relating to the protection of the environment have in many jurisdictions become more stringent in recent years and may, in certain circumstances, impose strict liability, rendering our company liable for environmental damage without regard to actual negligence or fault. Such laws and regulations may expose us to liability for the conduct of, or conditions caused by, others or for acts of our company. We believe that we have complied in all material respects with applicable environmental laws and regulations.

ITEM 1A. RISK FACTORS

Much of the information included in this annual report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections or estimates made by us and our management in connection with our past or future business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgement regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other "forward looking statements" involve various risks

and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward looking statements".

Our shares of common stock are considered speculative while we continue our search for a new business opportunity. Prospective investors should consider carefully the risk factors set out below.

We have had negative cash flows from operations and if we are not able to obtain further financing, our business operations may fail.

We had a working capital deficit of \$1,612,195 as of March 31, 2015. Accordingly, we will require additional funds, either from equity or debt financing, to maintain our daily operations and to continue to evaluate joint venture opportunities. Obtaining additional financing is subject to a number of factors, including market prices, investor acceptance of any venture we may acquire in the future and investor sentiment. If we are unable to raise additional funds when required, we may be forced to delay our plan of operation and our entire business may fail.

Because of the early stage of development and the nature of our business, our securities are considered highly speculative.

Our securities must be considered highly speculative, generally because of the nature of our business and the early stage of our development. Any profitability in the future will be dependent upon acquiring a new business opportunity. In September 2008, we closed the sale of all of our oil and gas assets in the Smoky Hill area of Alberta. The sale was effective June 1, 2008. We are now actively looking for a new business opportunity, primarily in the resource sector.

The company is categorized as a "shell company" as that term is used in the Securities and Exchange Commission's rules.

The Securities and Exchange Commission's rules prohibit the use of Form S-8 by a shell company, and require a shell company to file a Form 8-K to report the same type of information that would be required if it were filing to register a class of securities under the Exchange Act whenever the shell company is reporting the event that caused it to cease being a shell company. Being a shell company may adversely impact our ability to offer our stock to officers, directors and consultants, and thereby make it more difficult to attract and retain qualified individuals to perform services for the company, and will likely increase the costs of registration compliance following the completion of a business combination.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Any reduction in our ability to raise equity capital in the future could have a significant negative effect on our business plans and our ability to develop new products. If our stock price declines, we may not be able to raise additional capital sufficient to acquire

new business.

Our accounts are subject to currency fluctuations which may materially affect our financial position and results of operations.

As a result of maintaining some of our accounts in Canadian currency; we are subject to foreign exchange fluctuations. Such fluctuations may materially affect our financial position and results of operations. We do not engage in currency hedging activities.

We may not be able to manage the significant strains that future growth may place on our administration infrastructure, systems and controls.

In the event we are able to acquire a new joint venture and experience any rapid expansion over current levels, we could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that we will be able to manage the significant strains that future growth may place on our administrative infrastructure, systems, and controls. If we are unable to manage future growth effectively, our business, operating results and financial condition may be materially adversely affected.

The loss of John Hislop would have an adverse impact on future development and could impair our ability to succeed.

We are dependent on our ability to hire and retain highly skilled and qualified personnel. We face competition for qualified personnel from numerous industry sources, and there can be no assurance that we will be able to attract and retain qualified personnel on acceptable terms. We do not have key man insurance on our employee. The loss of the services of Mr. Hislop could have a material adverse effect on our operations or financial condition.

Our management currently engages in other oil and gas businesses and, as a result, conflicts could arise.

In addition to their interest in our company, our management currently engages, and intends to engage in the future, in the oil and gas business independently of our company. As a result, conflicts of interest between us and the management of our company might arise.

Trading of our stock may be restricted by the SEC's "Penny Stock" regulations which may limit a stockholder's ability to buy and sell our stock.

The U.S. Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors." The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to

deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and sales person compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers.

FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Since our shares are thinly traded, and trading on the OTCQB may be limited and sporadic because it is not an exchange, stockholders may have difficulty reselling their shares or liquidating their investments.

Our shares of common stock are currently quoted for trading on the OTCQB operated by the OTC Markets Group Inc. The trading price of our shares of common stock has been subject to wide fluctuations. Trading prices of our shares of common stock may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with no current business operation. There can be no assurance that trading prices and price earnings ratios previously experienced by shares of our common stock will be matched or maintained. These broad market and industry factors may adversely affect the market price of the shares of our common stock, regardless of our operating performance.

In the past, following periods of volatility in the market price of a company's securities,

securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management's attention and resources.

Our By-laws contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.

Our By-laws contain provisions with respect to the indemnification of our officers and directors against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment on transactions, actually and reasonably incurred by him, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is made a party by reason of his being or having been one of our directors or officers.

Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share if we issue additional shares or raise funds through the sale of equity securities.

Our constating documents authorize the issuance of 5,000,000,000 shares of common stock with no par value. In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we issue any such additional shares, such issuances also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change in our control.

Our By-laws do not contain anti-takeover provisions which could result in a change of our management and directors if there is a take-over of our company.

We do not currently have a shareholder rights plan or any anti-takeover provisions in our By-laws. Without any anti-takeover provisions, there is no deterrent for a take-over of our company, which may result in a change in our management and directors.

Since our director and officer is not a resident of the United States, investors may find it difficult to enforce, within the United States, any judgments obtained against our company or our director and officer.

We do not currently maintain a permanent place of business within the United States. In addition, our director and officer is not a resident of the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against our company or our officer or director, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

Risks Relating to the Industry

Exploration for economic reserves of oil and gas is subject to risk and there can be no assurance that we will establish commercial discoveries.

Exploration for economic reserves of oil and gas is subject to a number of risk factors. While the rewards to an investor can be substantial if an economically viable discovery is made, few of the properties that are explored are ultimately developed into producing

oil and/or gas wells. There can be no assurance that we will establish commercial discoveries.

Financial success depends on our ability to acquire our reserves in the future.

Our future success depends upon our ability to find, develop and acquire oil and natural gas reserves that are profitable. Oil and natural gas are depleting assets, and production from oil and natural gas from properties declines as reserves are depleted with the rate of decline depending on reservoir characteristics. If we are unable to conduct future successful exploration or development activities or acquire properties containing proved reserves our cash flows will be adversely affected. Acquiring reserves through exploration, development activities or acquisitions will require significant capital which may not be available to us.

The potential profitability of oil and gas ventures depends upon factors beyond the control of our company.

The potential profitability of oil and gas properties is dependent upon many factors beyond our control. For instance, world prices and markets for oil and gas are unpredictable, highly volatile, potentially subject to governmental fixing, pegging, controls, or any combination of these and other factors, and respond to changes in domestic, international, political, social, and economic environments. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for production and other expenses have become increasingly difficult, if not impossible, to project. These changes and events may materially affect our financial performance.

Adverse weather conditions can also hinder drilling operations. A productive well may become uneconomic in the event water or other deleterious substances are encountered which impair or prevent the production of oil and/or gas from the well. In addition, production from any well may be unmarketable if it is impregnated with water or other deleterious substances. The marketability of oil and gas which may be acquired or discovered will be affected by numerous factors beyond our control. These factors include the proximity and capacity of oil and gas pipelines and processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental protection. The extent of these factors cannot be accurately predicted but the combination of these factors may result in our company not receiving an adequate return on invested capital.

Competition in the oil and gas industry is highly competitive and there is no assurance that we will be successful in acquiring desirable oil and gas leases.

The oil and gas industry is intensely competitive. We compete with numerous individuals and companies, including many major oil and gas companies, which have substantially greater technical, financial and operational resources and staff. Accordingly, there is a high degree of competition for desirable oil and gas leases, suitable properties for drilling operations and necessary drilling equipment, as well as for access to funds. We cannot predict if the necessary funds can be raised or that any project work will be completed. Acreage may not become available or if it is available for leasing we may not be successful in acquiring the leases.

The marketability of natural resources will be affected by numerous factors beyond our

control which may result in us not receiving an adequate return on invested capital to be profitable or viable.

The marketability of natural resources which may be acquired or discovered by us will be affected by numerous factors beyond our control. These factors include market fluctuations in oil and gas pricing and demand, the proximity and capacity of natural resource markets and processing equipment, governmental regulations, land tenure, land use, regulation concerning the importing and exporting of oil and gas and environmental protection regulations. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in us not receiving an adequate return on invested capital to be profitable or viable.

Oil and gas operations are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on our company.

Oil and gas operations are subject to federal and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Oil and gas operations are also subject to federal and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Various permits from government bodies are required for drilling operations to be conducted; no assurance can be given that such permits will be received. Environmental standards imposed by federal, provincial, or local authorities may be changed and any such changes may have material adverse effects on our activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us.

Exploration and production activities are subject to certain environmental regulations which may prevent or delay the commencement of our operations.

In general, our exploration and production activities have been in the past and will continue to be subject to certain federal and local laws and regulations relating to environmental quality and pollution control. Such laws and regulations increase the costs of these activities and may prevent or delay the commencement or continuance of a given operation. Compliance with these laws and regulations did not have a material effect on our operations or financial condition to date. Legislation has been enacted which requires well and facility sites to be abandoned and reclaimed to the satisfaction of state authorities. However, such laws and regulations are frequently changed and we are unable to predict the ultimate cost of compliance. Generally, environmental requirements have not appeared to affect us any differently or to any greater or lesser extent than other companies in the industry. We believe that our operations to date have complied, in all material respects, with all applicable environmental regulations. In the past, our operating partners have maintained insurance coverage customary to the industry; however, we are not fully insured against all environmental risks.

Exploratory drilling involves many risks and we may become liable for pollution or other liabilities which may have an adverse effect on our financial position.

Drilling operations generally involve a high degree of risk. Hazards such as unusual or unexpected geological formations, power outages, labour disruptions, blow-outs, sour

gas leakage, fire, inability to obtain suitable or adequate machinery, equipment or labour, and other risks are involved. We may become subject to liability for pollution or hazards against which we cannot adequately insure or which we may elect not to insure. Incurring any such liability may have a material adverse effect on our financial position and operations.

Any change to government regulation/administrative practices may have a negative impact on our ability to operate and our profitability.

The laws, regulations, policies or current administrative practices of any governmental body, organization or regulatory agency in the United States or any other jurisdiction, may be changed, applied or interpreted in a manner which will fundamentally alter the ability of our company to carry on its business. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on our company. Any or all of these situations may have a negative impact on our ability to operate and/or become profitable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal mailing address is RPO Box 60610 Granville Park, Vancouver, British Columbia, Canada, V6H 4B9. Our executive office is located at 1500 West 16th Avenue, Vancouver, British Columbia, Canada V6J 2L6. We occupy the Vancouver premises on a proportional cost basis for office rent and administration services and expenses, on a month to month basis. We currently have a management services agreement in effect that among other administration and office services and supplies provides for office space. Effective November 1, 2010, the monthly fee was, and continues to be, \$3,500 per month. At the present time, we do not have any oil and gas holdings and there are no plans to acquire any real property interests.

ITEM 3. LEGAL PROCEEDINGS

We know of no material, active or pending legal proceeding against our company, nor are we involved as a plaintiff in any material proceedings or pending litigation where such claim or action involves damages for more than 10% of our current assets. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholders are an adverse party or have a material interest adverse to us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Securities

Our common stock is quoted for trading on the OTCQB operated by the OTC Markets Group Inc. under the symbol "NEGY". The following quotations (obtained from Stockwatch) reflect the high and low bids for our common stock based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. The high and low prices of our common stock for the periods indicated below are as follows:

Quarter Ended	High	Low
March 31, 2015	\$0.200	\$0.200
December 31, 2014	\$0.022	\$0.022
September 30, 2014	\$0.020	\$0.020
June 30, 2014	\$0.015	\$0.015
March 31, 2014	\$0.015	\$0.015
December 31, 2013	\$0.012	\$0.012
September 30, 2013	\$0.010	\$0.010
June 30, 2013	\$0.010	\$0.010

Our shares of common stock are issued in registered form. Interwest Transfer Co., Inc., of 1981 Murray Holladay Road, Suite 100, P.O. Box 17136, Salt Lake City, UT 84117 (Telephone: 801.272.9294, facsimile: 801.277.3147) is the registrar and transfer agent for our shares of common stock.

Holders of our Common Stock

As of June 3, 2015, we had 150,020,000 shares of common stock outstanding and approximately 18 stockholders of record. This number of stockholders does not include stockholders who hold our securities in street name.

Recent Sales of Unregistered Securities

Since the beginning of our fiscal year ended March 31, 2015, we have not sold any equity securities that were not registered under the Securities Act of 1933 that were not previously reported in a quarterly report on Form 10-Q or in a current report on Form 8-K.

Dividend Policy

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our future dividend policy will be determined from time to time by our board of directors.

Securities Authorized for Issuance under Equity Compensation Plans

We adopted our current stock option plan, entitled the 1999 Stock Option and Incentive Plan, on May 6, 1999 which was subsequently approved by over 50% of the shares of common stock held by stockholders of our company. The plan authorized up to 2,500,000 shares of our common stock to be granted as incentive options. The following table provides a summary of the number of options granted under our stock option plan, the weighted average exercise price and the number of options remaining available for issuance as at March 31, 2015.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-Average exercise price of outstanding options	Number of options remaining available for further issuance
1999 Stock Option and Incentive Plan (an equity compensation plan approved by security holders)	Nil	N/A	2,500,000

Purchases of Equity Securities by the Issuer and Affiliated Purchases

We did not purchase any of our shares of common stock or other securities during our fiscal year ended March 31, 2015.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable

ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in the section entitled "Item 1A. Risk Factors".

Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Plan of Operation

For the next twelve months, we plan to continue to evaluate joint venture opportunities and oil and gas development and production opportunities.

On October 11, 2013, we entered into a letter agreement with Paltar Petroleum Limited, an Australian company, pursuant to which we agreed to acquire four exploration and development permits and twenty-nine applications for exploration and development permits in respect of prospective acreage located in northern Australia. On March 31, 2014, we amended this letter

agreement and, on November 27, 2014, we amended and restated the letter agreement to add additional exploration properties and provided for new closing terms. We filed a copy of this amended and restated letter agreement as an exhibit to our Form 8K filed on EDGAR December 1, 2014 or in the news release dated November 28, 2014 filed on SEDAR.

Among other things, the amended and restated letter agreement provides that:

1. We will acquire all of Paltar's oil and gas assets, including its 50% interest in Northern Territory Exploration Permits 136 and 143;
2. Prior to closing, we will increase our authorized capital from 100,000,000 common shares to 5,000,000,000 common shares;
3. We were to pay to Paltar the sum of \$200,000 upon execution of the amended and restated letter agreement. This amount was paid in November 2014 by John Hislop, our President and sole director.
4. On execution of the amended and restated letter agreement, Paltar was to transfer to our company all of the issued and outstanding shares of Officer Petroleum Pty. Ltd. in consideration for our assumption of an outstanding debt in the amount of AUD\$204,000 (approximately \$155,520) due to John Hislop, our President and sole director. Officer Petroleum Pty. Ltd. owns record title to Exploration Permit 468, covering prospective land in Western Australia.
5. At or after closing, we will be required to pay to Paltar the sum of AUD\$765,675 (approximately \$583,720) and issue two promissory notes. The first of these promissory notes will be a one year note in the amount of US\$2,500,000; the second will be a three year note in the amount of US\$10,000,000. These promissory notes are to provide that they will be repaid out of proceeds raised by our company in public or private offerings, joint ventures, farm-ins or other similar arrangements;
6. At closing, we are to issue 600,000,000 restricted common shares to Paltar – these shares will be subject to resale restrictions imposed by applicable law and a three (3) year lockup agreement;
7. Prior to closing, we were required to settle approximately \$1,340,000 of debt owed to John Hislop for common shares at a price of \$0.01 per share. We settled this debt pursuant to an agreement dated April 21, 2015 and issued 134,000,000 of our common shares to Mr. Hislop on April 23, 2015;
8. The asset purchase is subject to due diligence (by both parties), board and Paltar shareholder approval and other matters contemplated by the Letter Agreement. Paltar's shareholders approved the transaction on February 27, 2015;
9. After the closing of the asset purchase, we have agreed that we will register for resale up to 145,000,000 common shares of Nation beneficially owned by Mr. Hislop.

The amended and restated letter agreement provided for a closing no later than April 15, 2015, but it has not yet closed, primarily because we continue to discuss structure and the need for government approval of any transfer of the Australian exploration permits.

On April 29, 2015, the Company amended the amended and restated letter agreement to

extend the closing date to July 15, 2015 as well as the maturity dates of the two promissory notes referred to in paragraph 1 and the promissory note referred to in sections 6 and 7 of the Amended and Restated Letter Agreement to July 31, 2015.

Cash Requirements

Over the next twelve months, we intend to use funds to evaluate new business acquisitions, as follows:

Estimated Funding Required During the Next Twelve Months

General and Administrative	-	\$50,000
Professional Fees		<u>25,000</u>
Total		<u>\$75,000</u>

We have suffered recurring losses from operations. The continuation of our company as a going concern is dependent upon our company attaining and maintaining profitable operations and raising additional capital as needed. Management's plan in this regard is to raise additional capital through a debt or an equity offering. The financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our company discontinue operations.

Due to the uncertainty of our ability to meet our current operating expenses noted above, in their report on the annual financial statements for the year ended March 31, 2015, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon obtaining further financing, a successful program of exploration, and, finally achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. We are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations.

Disclosure of Outstanding Share Data

As of the date of this annual report, we had 150,020,000 shares of common stock issued and outstanding. We do not have any warrants, options or shares of any other class issued and outstanding as of the date of this annual report.

RESULTS OF OPERATIONS – Years Ended March 31, 2015 and 2014

The following summary of our results of operations should be read in conjunction with our financial statements for the year ended March 31, 2015, which are included herein.

Our operating results for the year ended March 31, 2015 and 2014 and the changes between those periods for the respective items are summarized as follows:

	Year Ended March 31, 2015	Year Ended March 31, 2014	Difference Increase%
General administrative and	\$136,803	\$92,999	47%
Interest expense	\$182,961	\$158,310	16%
Net (loss)	\$(319,764)	\$(251,309)	27%

We generated a net (loss) of \$(319,764) for the year ended March 31, 2015 compared to a net (loss) of \$(251,309) for the year ended March 31, 2014. Net (loss) per common share for the year ended March 31, 2015 was (\$0.009) compared to (\$0.010) per common share for the year ended March 31, 2014. General and administrative expenses increased to \$136,803 during the year ended March 31, 2015 from \$92,999 during the year ended March 31, 2014. The increase was primarily due to increased legal fees associated with the Paltar Letter Agreement and the subsequent amendments.

Interest expense for fiscal 2015 totalled \$182,961 compared to \$158,310 for fiscal 2014. The increase reflected higher average outstanding balance of related party loans in fiscal 2015 versus fiscal 2014.

We reported a foreign currency translation gain of \$172,132 in fiscal 2015 compared to a gain of \$88,272 in fiscal 2014. Our loan and accrued interest are incurred and calculated in Canadian dollars while the reporting currency is the US dollar. The value of the Canadian dollar in the fiscal year ended March 31, 2015 decreased resulting in a significant gain on translation compared to consistent and higher values of the Canadian dollar during the prior fiscal periods.

The major components of our general and administrative expenses for the year are outlined in the table below:

	Year Ended March 31, 2015	Year Ended March 31, 2014	Difference Increase/(Decrease) %
Administration fees	\$42,000	\$42,000	0%
Office & MIS	\$16,999	\$2,670	537%

Legal fees	\$47,759	\$20,428	134%
Transfer Agent Fees	\$1,335	\$1,801	(26)%
Accounting	\$28,710	\$26,100	10%
Total Expenses	\$136,803	\$92,999	47%

General and administrative expenses increased to \$136,803 in fiscal 2015 from \$92,999 in fiscal 2014. This was primarily due to increased legal fees incurred in 2015 in regards to our agreement with Paltar. General and administrative expenses included administration fees of \$42,000 in fiscal 2015 and fiscal 2014. Office expenses and management information system fees increased to \$16,999 in fiscal 2015 from \$2,670. The increase was primarily due to OTCQB annual fees of \$7,500 paid in fiscal 2015 compared to \$nil in 2014. Legal fees increased to \$47,759 in fiscal 2015 from \$20,428 in the prior fiscal year mainly due to legal fees associated with the Paltar agreement. Transfer agent fees decreased to \$1,335 in fiscal 2015 from \$1,801 in fiscal 2014 primarily due to expenses relating to mailings to shareholders of \$565 in fiscal 2015 compared to \$1,011 in fiscal 2014. Accounting fees increased to \$28,710 for the year ended March 31, 2015 from \$26,100 in the prior year ended March 31, 2014. The increase in fiscal 2015 is primarily due to expenses incurred during fiscal 2015 to obtain revocation of a cease trade order imposed by the British Columbia Securities Commission.

Liquidity and Financial Condition

Working Capital

	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Assets	\$47,479	\$2,749
Current Liabilities	\$1,659,674	\$1,580,289
Working Capital (Deficiency)	(\$1,612,195)	(\$1,577,540)

Cash Flows

	Year Ended March 31, 2015	Year Ended March 31, 2014
Cash flows (used in) Operating Activities	\$(239,915)	\$(143,649)
Cash flows provided by Investing Activities	\$Nil	\$Nil
Cash flows provided by Financing Activities	\$112,513	\$56,560

Effect of exchange rate changes on cash	\$172,132	\$88,272
Net Increase (decrease) in cash	\$44,730	\$1,183

Operating Activities

Net cash (used in) operating activities was \$(239,915) in the year ended March 31, 2015 compared with net cash (used in) operating activities of \$(143,649) in the same period in 2014. The increase in cash (used in) operating activities of \$96,266 is mainly attributed to an increase in the net (loss) for the current year of (\$319,764) from a net loss of \$(251,309) in fiscal 2014. The increased net loss is primarily a result of increased legal fees associated with the Paltar Letter Agreement and the subsequent amendments and increased interest expense due to new loans entered into during this fiscal year.

Investing Activities

Net cash provided by investing activities amounted to \$Nil for both years.

Financing Activities

Net cash provided by financing activities was \$112,513 in the year ended March 31, 2015 compared to net cash provided by financing activities of \$56,560 in the year ended March 31, 2014. All activities derive from loan proceeds from a related party. The effect of exchange rate changes on cash was a gain of \$172,132 in the year ended March 31, 2015 compared to \$88,272 for the year ended March 31, 2014.

Some of our loans and accrued interest are incurred and calculated in Canadian dollars while the reporting currency is the US dollar. The value of the Canadian dollar in the fiscal year ended March 31, 2015 decreased resulting in a significant gain on translation compared to consistent and higher values of the Canadian dollar during the prior fiscal periods.

Loans Payable

The Company entered into loan agreements with Caravel Management Corp. and John Hislop in 2003 and 2004 to fund operations. Caravel is a private management company that is wholly-owned by John Hislop, our chairman, president, chief executive officer, secretary and chief financial officer. The terms of these loan agreements provided that any principal amount outstanding is payable upon demand and bears interest at 15% per annum, payable quarterly. On March 31, 2006, we consolidated and restructured the loans. As part of the restructuring, we borrowed an additional C\$250,000 (US \$203,932). The new loan bears interest at 15% per annum, calculated and compounded monthly and is payable quarterly. Any principal amount outstanding under the loan is payable upon demand. The loan is payable in Canadian dollars and is secured by a Promissory Note. As of March 31, 2015, the principal balance of the loan was \$872,936 and accrued interest payable of \$285,146.

On July 18, 2014, we entered into a promissory note with our sole officer and director,

John Hislop ("Lender") for \$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective July 18, 2014. The principal sum and all accrued and unpaid interest will become due and payable on July 18, 2016. As of March 31, 2015, the principal balance of the loan was \$50,000 and accrued interest payable of \$5,281.

On September 2, 2014, we entered into a promissory note with our sole officer and director, John Hislop ("Lender") for C\$20,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective September 2, 2014. The principal sum and all accrued and unpaid interest will become due and payable on September 2, 2016. As of March 31, 2015, the principal balance of the loan was \$15,790 and accrued interest payable of \$1,441.

On January 29, 2015, we entered into a promissory note with our sole officer and director, John Hislop ("Lender") for C\$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective January 29, 2015. The principal sum and all accrued and unpaid interest will become due and payable on January 29, 2017. As of March 31, 2015, the principal balance of the loan was \$39,475 and accrued interest payable of \$990.

The audited financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has incurred losses since inception in excess of \$8 million. We have relied solely on shareholder advances to participate and continue operations.

Our company's ability to continue as a going concern is contingent upon being able to secure financing and attain profitable operations. Our company is currently evaluating business opportunities and will require financing for acquisition of any new business venture.

Net cash (used in) operating activities in fiscal 2015 totaled \$(239,915) versus net cash (used in) operating activities of (\$143,649) in fiscal 2014. Cash balances were \$47,479 and \$2,749, as of March 31, 2015 and 2014, respectively.

We have limited operating history. We can only estimate the future needs for capital based on the current status of our operations, our current plans and current economic condition. Due to the uncertainties regarding our future activities, we are unable to predict precisely what amount will be used for any particular purpose. We estimate the future needs for general and administrative expenses will be approximately \$50,000 and \$25,000 for professional fees during the next twelve month period.

Future Financings

As of March 31, 2015, we had cash of \$47,479. We currently do not have sufficient funds to acquire and develop any future joint ventures. We anticipate continuing to rely on related party loans or equity sales of our common stock in order to fund our business operations. Issuances of additional shares will result in dilution to our existing

stockholders. There is no assurance that we will achieve any additional sales of our equity or arrange for more debt or other financing to fund any future activities.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

New Accounting Pronouncements

Accounting standards-setting organizations frequently issue new or revised accounting rules. We regularly review all new pronouncements that have been issued to determine their impact, if any, on our financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for our company on December 15, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In June 2014, the FASB issued ASU No. 2014-10 "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation" ("ASU 2014-10"). ASU 2014-10 addresses the cost and complexity associated with the incremental reporting requirements for development stage entities, such as start-up companies, without compromising the availability of relevant information and eliminates an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. We elected to apply ASU 2014-10 effective the quarter ended September 30, 2014 and for the year ended March 31, 2015. ASU 2014-10 impacts financial statement presentation only and removes the requirement to present additional inception-to-date information.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain

disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. We will evaluate the going concern considerations in this ASU; however, as of the current period, management believes that our current disclosures meet the requirement under this ASU.

Application of Critical Accounting Policies

In January 2015, the FASB issued ASU No. 2015-01, "Income Statement – Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items". This ASU is effective for annual and interim reporting periods beginning after December 15, 2015. ASU No. 2015-01 eliminates the concept of extraordinary items. Management does not anticipate that this accounting pronouncement will have any material future effect on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, "Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs". This ASU is effective for annual and interim periods beginning after December 15, 2015. ASU No. 2015-03 changes the presentation of debt issuance costs in financial statements. Management does not anticipate that this accounting pronouncement will have a material future effect on our consolidated financial statements.

The financial statements of our company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the critical accounting policies summarized below:

Estimates

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles used in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2015. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair

values. These financial instruments include cash, accounts payable, and accounts payable to a related party. Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Revenue Recognition

Oil and natural gas revenues were recorded using the sales method whereby our company recognized oil and natural gas revenue based on the amount of oil and gas sold to purchasers when title passes, the amount is determinable and collection is reasonably assured. Actual sales of gas are based on sales, net of the associated volume charges for processing fees and for costs associated with delivery, transportation, marketing, and royalties in accordance with industry standards.

Operating costs and taxes are recognized in the same period of which revenue is earned.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP").

The following audited financial statements are filed as part of this annual report:

Report of Independent Registered Public Accounting Firm, June 3, 2015.

Balance Sheets at March 31, 2015 and 2014

Statements of Operations and Comprehensive Loss for the years ended March 31, 2015 and 2014

Statements of Changes in Stockholders' Deficit for the years ended March 31, 2015 and 2014

Statements of Cash Flows for the years ended March 31, 2015 and 2014

Notes to the Financial Statements

StarkSchenkein, LLP

Business Advisors & CPAs

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Nation Energy, Inc.

We have audited the accompanying balance sheets of Nation Energy, Inc., as of March 31, 2015 and 2014, and the related statements of operations, stockholders' (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nation Energy, Inc., as of March 31, 2015 and 2014, and the results of its operations, stockholders' (deficit), and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, has no current source of operating revenues, and needs to secure financing to remain a going concern. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/StarkSchenkein, LLP

Denver, Colorado
June 3, 2015

Nation Energy, Inc.
Condensed Balance Sheets

	March 31, 2015	March 31, 2014
ASSETS		
Current assets:		
Cash	\$ 47,479	\$ 2,749
Total current assets	<u>47,479</u>	<u>2,749</u>
 Total assets	 <u>\$ 47,479</u>	 <u>\$ 2,749</u>
 LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 12,282	\$ 10,100
Accounts payable and accrued expenses - related party	774,456	722,256
Loans payable - related party	872,936	847,933
Total current liabilities	<u>1,659,674</u>	<u>1,580,289</u>
 Long term liabilities		
Loans payable - related party, noncurrent	112,977	-
	<u>1,772,651</u>	<u>1,580,289</u>
Stockholders' (deficit)	-	-
Preferred stock, \$.001 par value; 5,000,000 shares authorized; none outstanding		
Common stock, no par value; 5,000,000,000 shares authorized; 16,020,000 shares issued and outstanding	\$ 16,020	\$ 16,020
Additional paid-in capital	6,868,380	6,868,380
Accumulated (deficit) prior to the development stage	(6,839,714)	(6,839,714)
Accumulated (deficit) during the development stage	(1,785,225)	(1,465,461)
Accumulated comprehensive (loss):		
Foreign currency translation (loss)	15,367	(156,765)
Total stockholders' (deficit)	<u>(1,725,172)</u>	<u>(1,577,540)</u>
 Total liabilities and stockholders' (deficit)	 <u>\$ 47,479</u>	 <u>\$ 2,749</u>

The accompanying notes are an integral part of these financial statements

Nation Energy, Inc.
Condensed Statements of Operations and Comprehensive
Loss
For the Years Ended March 31, 2015 and 2014

	For the Years Ended March 31 2015	March 31 2014
Revenue:	\$ -	\$ -
Direct expenses:		
Royalties	-	-
Operating	-	-
Operating income	-	-
General and administrative expenses	136,803	92,999
Income (loss) before other income (expense)	(136,803)	(92,999)
Other income (expense):		
Interest (expense)	(182,961)	(158,310)
Total other income	(182,961)	(158,310)
Net loss	(319,764)	(251,309)
Foreign currency translation gain (loss)	172,132	88,272
Comprehensive loss	\$ (147,632)	\$ (163,037)
Per share information:		
Weighted average number of common shares outstanding		
- basic and diluted	16,020,000	16,020,000
Net loss per common share - basic and diluted	\$ (0.009)	\$ (0.010)

The accompanying notes are an integral part of these financial
statements

Nation Energy, Inc.
Condensed Statement of Changes in Stockholders' Deficit
For the Years Ended March 31, 2015 and 2014

	Common Stock		Additional Paid-in Capital	Accumulated Comprehensive Income (loss)	Accumulated (Deficit) Prior to the Development Stage	Accumulated (Deficit) During the Development Stage	Total Stockholders' (Deficit)
	Number of Shares	Amount					
Balance at inception June 1, 2008	16,020,000	\$ 16,020	\$ 6,868,380	\$ (207,314)	\$ (6,839,714)	-	\$ (162,628)
Comprehensive loss				(48,949)			(48,949)
Net loss						(402,419)	(402,419)
Balance at March 31, 2010	16,020,000	16,020	6,868,380	(256,263)	(6,839,714)	(402,419)	\$ (613,996)
Comprehensive loss				(30,906)			(30,906)
Net loss						(305,533)	(305,533)
Balance at March 31, 2011	16,020,000	16,020	6,868,380	(287,169)	(6,839,714)	(707,952)	(950,435)
Comprehensive income				28,704			28,704
Net loss						(286,962)	(286,962)
Balance at March 31, 2012	16,020,000	16,020	6,868,380	(258,465)	(6,839,714)	(994,914)	(1,208,693)
Comprehensive income				13,429			13,429
Net loss						(219,238)	(219,238)
Balance at March 31, 2013	16,020,000	16,020	6,868,380	(245,036)	(6,839,714)	(1,214,152)	(1,414,502)
Comprehensive income				88,272			88,272
Net loss						(251,309)	(251,309)
Balance at March 31, 2014	16,020,000	16,020	6,868,380	(156,765)	(6,839,714)	(1,465,461)	(1,577,540)
Comprehensive income				172,132			172,132
Net loss						(319,764)	(319,764)
Balance at March 31, 2015	16,020,000	16,020	6,868,380	15,367	(6,839,714)	(1,785,225)	(1,725,172)

The accompanying notes are an integral part of these financial statements

Nation Energy, Inc.
Condensed Statements of Cash Flows
For the Years Ended March 31, 2015 and 2014

	For the Years Ended March 31 2015	March 31 2014
Cash flows from operating activities:		
Net loss	\$ (319,764)	\$ (251,309)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Changes in working capital:		
Increase (decrease) in accounts payable	2,182	(6,990)
Increase in accounts payable - related party	77,667	114,650
Net cash (used in) operating activities	<u>(239,915)</u>	<u>(143,649)</u>
Cash flows from investing activities:		
Proceeds from sale of oil and gas properties	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from loan payable - related party	112,513	56,560
Net cash provided by (used in) financing activities	<u>112,513</u>	<u>56,560</u>
Effect of currency rate change (loss)	<u>172,132</u>	<u>88,272</u>
Net increase (decrease) in cash	44,730	1,183
Beginning balance, cash	<u>2,749</u>	<u>1,566</u>
Ending balance, cash	<u>\$ 47,479</u>	<u>\$ 2,749</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities:		
Non-cash related party advance	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Note 1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Nation Energy Inc. (the "Company"), was incorporated on April 19, 1988, in the State of Florida as Excalibur Contracting, Inc. The Company was reincorporated as a Delaware corporation and changed its name to Nation Energy, Inc. in February 2000. On June 13, 2003, the Company reincorporated as a Wyoming corporation. The Company was an oil and gas exploration, development and production company with properties located in Alberta Canada. Effective June 1, 2008, the Company sold all of its oil and gas properties in the Smoky Hill area of Alberta and is currently reviewing other prospects. On October 11, 2013, we entered into a letter agreement with Paltar Petroleum Limited, an Australian company, pursuant to which we agreed to acquire four exploration and development permits and twenty-nine applications for exploration and development permits in respect of prospective acreage located in northern Australia. On March 31, 2014, we amended this letter agreement and, on November 27, 2014, we amended and restated the letter agreement to add additional exploration properties and provided for new closing terms. We filed a copy of this amended and restated letter agreement as an exhibit to our Form 8K filed on EDGAR December 1, 2014 or in the news release dated November 28, 2014 filed on SEDAR (see Note 3 for further details). To implement any new business plan, significant financing will be required and the Company will need to be successful in its efforts to identify, acquire and develop a new business venture.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern. The Company has incurred losses since inception of (\$8,647,302) has both a working capital and a stockholders' deficit of (\$1,612,195) and is reliant on raising capital to implement its business plan.

The Company is currently in the development stage as defined by Accounting Standards Codification subtopic 915-10 "Development Stage Entities" ("ASC 915-10").

Upon the sale of all of its oil and gas assets, the Company re-entered the exploration stage. Consequently, its operations are subject to all the risks inherent in the establishment of a new business enterprise. For the period from inception through June 1, 2008, the Company has accumulated a deficit of (\$6,839,714) and a deficit accumulated during the development stage of (\$1,785,225).

The Company's ability to continue as a going concern is contingent upon being able to secure financing and attain sustained profitable operations. The Company is pursuing financing for its operations.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Certain prior year amounts have been reclassified for comparative purposes.

Note 2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with U.S. 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. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The exact results experienced by the Company may differ materially and adversely from the Company's estimates.

Foreign Currency Translation

The Company's reporting currency is the United States dollar. The functional currency of the Company is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in other comprehensive income.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2015. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts payable and loans payable.

Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Net Income (Loss) Per Common Share

Basic earnings (loss) per common share calculations are determined by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the year. Diluted earnings (loss) per common share calculations are determined by dividing net income (loss) by the weighted average number of common shares and

dilutive common share equivalents outstanding. During the periods when they are anti-dilutive, common stock equivalents, if any, are not considered in the computation.

Oil and Gas Properties

The Company followed the full cost method of accounting for oil and gas operations whereby all costs associated with the acquisition, exploration for and development of oil and gas reserves, whether productive or unproductive, were capitalized. Such expenditures included land acquisition costs, drilling, exploratory dry holes, geological and geophysical costs not associated with a specific unevaluated property, completion and costs of well equipment. Internal costs were capitalized only if they were directly identified with acquisition, exploration, or development activities. The Company did not capitalize any internal costs.

On June 1, 2008, the Company sold its oil and gas properties, which were located in the Smoky Hill Area of Alberta, Canada. From that date the Company is considered a shell company (see Note 3).

Other Comprehensive Income (Loss)

For the years ended March 31, 2015 and 2014, the only components of comprehensive loss were foreign currency translation adjustments.

Stock-Based Compensation

The Company has a stock based compensation plan whereby stock options are granted in accordance with the policies of regulatory authorities. The Company accounts for stock-based compensation in accordance with ASC Subtopic 718 "Compensation – Stock Compensation". ("ASC 718") ASC 718-10 requires that the cost resulting from all share-based payment transactions be recognized in the financial statements. This ASC establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair-value-based measurement in accounting for share-based payment transactions with employees. It also establishes fair value as the measurement objective for transactions in which an entity acquires goods or services from non-employees in share-based transactions. There was no material effect on the financial statements.

Revenue Recognition

Oil and natural gas revenues were recorded using the sales method whereby our company recognized oil and natural gas revenue based on the amount of oil and gas sold to purchasers when title passes, the amount is determinable and collection is reasonably assured. Actual sales of gas are based on sales, net of the associated volume charges for processing fees and for costs associated with delivery, transportation, marketing, and royalties in accordance with industry standards. Operating costs and taxes are recognized in the same period of which revenue is earned.

Recent Pronouncements

Accounting standards-setting organizations frequently issue new or revised accounting rules. We regularly review all new pronouncements that have been issued to determine their impact, if any, on our financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company on December 15, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In June 2014, the FASB issued ASU No. 2014-10 "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation" ("ASU 2014-10"). ASU 2014-10 addresses the cost and complexity associated with the incremental reporting requirements for development stage entities, such as start-up companies, without compromising the availability of relevant information and eliminates an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The Company elected to apply ASU 2014-10 effective the quarter ended September 30, 2014 and for the year ended March 31, 2015. ASU 2014-10 impacts financial statement presentation only and removes the requirement to present additional inception-to-date information.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. The Company will evaluate the going concern considerations in this ASU; however, as of the current period, management believes that its current disclosures meet the requirement under this ASU.

In January 2015, the FASB issued ASU No. 2015-01, "Income Statement – Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items". This ASU is effective for annual and interim reporting periods beginning after December 15, 2015. ASU No.

2015-01 eliminates the concept of extraordinary items. Management does not anticipate that this accounting pronouncement will have any material future effect on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, "Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs". This ASU is effective for annual and interim periods beginning after December 15, 2015. ASU No. 2015-03 changes the presentation of debt issuance costs in financial statements. Management does not anticipate that this accounting pronouncement will have a material future effect on our consolidated financial statements.

Note 3. Oil and Gas Properties

On September 18, 2008, Nation and Netco Energy, Inc. ("Netco"), entered into a sales and purchase agreement to sell their assets in the Smoky Area of Alberta for total net proceeds of C\$1,600,000. The agreement was effective June 1, 2008. The sale of the oil and gas assets closed September 18, 2008, with a second closing in April 2009, for total net proceeds to Nation of C\$1,102,939 (US \$1,029,385) from Encana, plus C\$160,000 (US\$ 129,324) from Netco. In April 2009, the Company received its final payment from Encana pursuant to the sale of its oil and gas properties, of C\$150,894 (US\$ 88,689). The Company is now considered a shell company.

On October 11, 2013, we entered into a letter agreement with Paltar Petroleum Limited, an Australian company, pursuant to which we agreed to acquire four exploration and development permits and twenty-nine applications for exploration and development permits in respect of prospective acreage located in northern Australia. On March 31, 2014, we amended this letter agreement and, on November 27, 2014, we amended and restated the letter agreement to add additional exploration properties and provided for new closing terms. We filed a copy of this amended and restated letter agreement as an exhibit to our Form 8K filed on EDGAR December 1, 2014 or in the news release dated November 28, 2014 filed on SEDAR.

Among other things, the amended and restated letter agreement provides that:

1. We will acquire all of Paltar's oil and gas assets, including its 50% interest in Northern Territory Exploration Permits 136 and 143;
2. Prior to closing, we will increase our authorized capital from 100,000,000 common shares to 5,000,000,000 common shares;
3. We were to pay to Paltar the sum of \$200,000 upon execution of the amended and restated letter agreement. . This amount was paid in November 2014 by John Hislop, our President and sole director.
4. On execution of the amended and restated letter agreement, Paltar was to transfer to our company all of the issued and outstanding shares of Officer Petroleum Pty. Ltd. in consideration for our assumption of an outstanding debt in the amount of AUD\$204,000 (approximately \$155,520) due to John Hislop, our President and sole director. Officer Petroleum Pty. Ltd. owns record title to Exploration Permit 468, covering prospective land in Western Australia.

5. At or after closing, we will be required to pay to Paltar the sum of AUD\$765,675 (approximately \$583,720) and issue two promissory notes. The first of these promissory notes will be a one year note in the amount of US\$2,500,000; the second will be a three year note in the amount of US\$10,000,000. These promissory notes are to provide that they will be repaid out of proceeds raised by our company in public or private offerings, joint ventures, farm-ins or other similar arrangements;
6. At closing, we are to issue 600,000,000 restricted common shares to Paltar – these shares will be subject to resale restrictions imposed by applicable law and a three (3) year lockup agreement;
7. Prior to closing, we were required to settle approximately \$1,340,000 of debt owed to John Hislop for common shares at a price of \$0.01 per share. We settled this debt pursuant to an agreement dated April 21, 2015 and issued 134,000,000 of our common shares to Mr. Hislop on April 23, 2015;
8. The asset purchase is subject to due diligence (by both parties), board and Paltar shareholder approval and other matters contemplated by the Letter Agreement. Paltar's shareholders approved the transaction on February 27, 2015;
9. After the closing of the asset purchase, we have agreed that we will register for resale up to 145,000,000 common shares of Nation beneficially owned by Mr. Hislop.

The amended and restated letter agreement provided for a closing no later than April 15, 2015, but it has not yet closed, primarily because we continue to discuss structure and the need for government approval of any transfer of the Australian exploration permits.

On April 29, 2015, the Company amended the amended and restated letter agreement to extend the closing date to July 15, 2015 as well as the maturity dates of the two promissory notes referred to in paragraph 1 and the promissory note referred to in sections 6 and 7 of the Amended and Restated Letter Agreement to July 31, 2015.

Note 4. Stockholders' Deficit

Equity Incentive Plan

On May 6, 1999 the Board of Directors adopted a stock option plan ("The Plan") which was subsequently approved by over 50% of our shareholders. The Plan allows for the issuance of incentive stock options to employees, consultants, directors, and others providing service of special significance to our company. The Plan is administered by the Board of Directors. The Plan provides for the issuance of up to 2,500,000 options. The exercise price of each option shall be determined by the Board or by the CEO with reference to such factors as current fair market value of the common stock, net book value per share, other remuneration already being received by the optionee. No option may be exercised more than five years from the date of grant and they vest on the date granted. The Plan does not have an expiry date.

At March 31, 2015 and 2014, there were no options outstanding.

Note 5. Income Taxes

The Company accounts for income taxes under the liability method, which provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

The provision (benefit) for income taxes consists of the following components:

	March 31,	
	2015	2014
Current	\$ ---	\$ ---
Deferred	\$ ---	\$ ---

The tax effects of temporary differences and carry forwards that give rise to significant portions of deferred tax assets and liabilities consist of the following:

	March 31,	
	2015	2014
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,957,000	\$ 1,910,000
Less valuation allowance	(1,957,000)	(1,910,000)
	<u>\$ ---</u>	<u>\$ ---</u>

A reconciliation of the statutory U.S. federal rate and effective rates is as follows:

Statutory U.S. federal rate	34.00%
State income taxes	<u>--- %</u>
Total	<u>34.00%</u>

The Company's provision for income taxes differs from applying the statutory United States federal income tax rate to income before income. The primary differences result from net operating losses.

Net operating loss carry-forwards of approximately \$5,755,000 will expire through 2033. The deferred tax asset has been fully reserved at March 31, 2015. The change in the valuation allowance during the year ended March 31, 2015 was \$47,000.

In December 2013, the Company received a letter from the Department of the Treasury, Internal Revenue Service ("IRS") charging a penalty of \$10,000 under Section 6038A of the Internal Revenue Code for failure to provide information with respect to certain foreign-owned US Corporations on Form 5472. In January 2014, the Company responded to the IRS and requested an abatement of the penalties assessed. In April 2014, the Company received another letter from the IRS requesting additional

information in order to consider our request for penalty adjustment. No accrual was made at March 31, 2015 and, to date, this matter remains unresolved.

Note 6. Related Party Transactions

(a) Administrative Services Agreement

During March 2002, the Company entered into a verbal agreement with a related party, Caravel Management Corp. ("Caravel"), in which Caravel will provide administrative services on a month-to-month basis. On January 1, 2009, the Company entered into a written agreement revising the previous verbal agreement with Caravel. The agreement provides for administrative services, office rent and supplies for \$7,865 per month.

Subsequently, effective November 1, 2010 the Company revised its agreement with Caravel to provide administrative services for \$3,500 per month. In addition to administrative services, the agreement also provides for office rent and supplies. Total expenses recognized under this agreement were \$42,000 for the years ended March 31, 2015 and 2014.

(b) Loans Payable - Related Party

The Company entered into loan agreements with Caravel Management Corp. and John Hislop in 2003 and 2004 to fund operations. Caravel is a private management company that is wholly-owned by John Hislop, our chairman, president, chief executive officer, secretary and chief financial officer. The terms of these loan agreements provided that any principal amount outstanding is payable upon demand and bears interest at 15% per annum, payable quarterly. On March 31, 2006, the Company consolidated and restructured the loans. As part of the restructuring, the Company borrowed an additional C\$250,000 (US \$203,932). The new loan bears interest at 15% per annum, calculated and compounded monthly and is payable quarterly. Any principal amount outstanding under the loan is payable upon demand. The loan is payable in Canadian dollars and is secured by a Promissory Note. As of March 31, 2015, the principal balance of the loan was \$872,936 and accrued interest payable of \$285,146.

On July 18, 2014, the Company entered into a promissory note with the Company's sole officer and director, John Hislop ("Lender") for \$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective July 18, 2014. The principal sum and all accrued and unpaid interest will become due and payable on July 18, 2016. As of March 31, 2015, the principal balance of the loan was \$50,000 and accrued interest payable of \$5,281.

On September 2, 2014, the Company entered into a promissory note with the Company's sole officer and director, John Hislop ("Lender") for C\$20,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective September 2, 2014. The principal sum and all accrued and unpaid interest will become due and payable on September 2, 2016. As of March 31, 2015, the principal balance of the loan was \$15,790 and accrued interest payable of \$1,441.

On January 29, 2015, the Company entered into a promissory note with the Company's

sole officer and director, John Hislop (“Lender”) for C\$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective January 29, 2015. The principal sum and all accrued and unpaid interest will become due and payable on January 29, 2017. As of March 31, 2015, the principal balance of the loan was \$39,475 and accrued interest payable of \$990.

Note 7. Subsequent Events

On April 21, 2015, the Company entered into a debt settlement agreement (the “Debt Settlement Agreement”) with Mr. John Hislop whereby the Company settled a portion of the indebtedness owed to Mr. Hislop in the amount of \$1,340,000 by allotting and issuing to Mr. Hislop 134,000,000 shares of the common stock of the Company at a deemed price of \$0.01 per share. The shares were issued on April 23, 2015.

On April 29, 2015, we amended our Amended and Restated Letter Agreement dated November 27, 2014 (the “Amended and Restated Letter Agreement”) with Paltar Petroleum Limited (“Paltar”) regarding the transfer and sale by Paltar of certain Australian oil and gas permit and application assets.

Among other things, the amendment extends:

1. the closing date to July 15, 2015;
2. the maturity date of the two promissory notes referred to in paragraph 1 of the Amended and Restated Letter Agreement (being a promissory note in the amount of \$172,040 and a promissory note in the amount of \$127,960, both dated October 11, 2013) to July 31, 2015; and
3. the maturity date of the promissory note referred to in sections 6 and 7 of the Amended and Restated Agreement to July 31, 2015.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures and remediation

As required by Rule 13a-15 under the *Securities Exchange Act of 1934*, in connection with this annual report on Form 10-K, under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated our disclosure controls and procedures as of March 31, 2015, including the remedial actions discussed below, we have concluded that, as of March 31, 2015, our disclosure controls and procedures were ineffective as discussed in greater detail below. As of the date of this filing, we are still in the process of remediating such material weaknesses in our internal controls and procedures.

Management’s annual report on internal control over financial reporting

Management is responsible for establishing and maintaining internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our management evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our internal control over financial reporting as of March 31, 2015.

Based on its evaluation under the framework in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission, our management concluded that our internal control over financial reporting was not effective as of March 31, 2015, due to the existence of significant deficiencies constituting material weaknesses, as described in greater detail below. A material weakness is a control deficiency, or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Limitations on Effectiveness of Controls

Our Chief Executive Officer and Chief Financial Officer does not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additional controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Material Weaknesses Identified

In connection with the preparation of our financial statements for the year ended March 31, 2015, certain significant deficiencies in internal control became evident to management that represent material weaknesses, including:

- i. Lack of a sufficient number of independent directors for our board and audit committee. We currently have no independent director on our board, which is comprised of one director. As a publicly-traded company, we strive to have a majority of our board of directors be independent;
- ii. Insufficient segregation of duties in our finance and accounting functions due to

limited personnel. During the year ended March 31, 2015, we had limited staff that performed nearly all aspects of our financial reporting process, including, but not limited to, access to the underlying accounting records and systems, the ability to post and record journal entries and responsibility for the preparation of the financial statement. This creates certain incompatible duties and a lack of review over the financial reporting process that would likely result in a failure to detect errors in spreadsheets, calculations, or assumptions used to compile the financial statements and related disclosures as filed with the SEC. These control deficiencies could result in a material misstatement of our interim or annual financial statements that would not be prevented or detected; and

- iii. Insufficient corporate governance policies. Although we have a code of ethics which provides broad guidelines for corporate governance, our corporate governance activities and processes are not always formally documented. Specifically, decisions made by the board to be carried out by management should be documented and communicated on a timely basis to reduce the likelihood of any misunderstandings regarding key decisions affecting our operations and management.

Plan for Remediation of Material Weaknesses

We intend to take appropriate and reasonable steps to make the necessary improvements to remediate these deficiencies. We intend to consider the results of our remediation efforts as part of our year-end 2015 assessment of the effectiveness of our internal control over financial reporting.

Subject to receipt of additional financing, we intend to undertake the below remediation measures to address the material weaknesses described in this annual report. Such remediation activities include the following:

1. We intend to recruit at least one, preferably two or more, additional independent board members to join our board of directors and audit committee at such time as additional board members are retained; and
2. We intend to continue to update the documentation of our corporate governance and internal control processes, including formal risk assessment of our financial reporting processes.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of our fiscal year ended March 31, 2015 that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

Name	Position Held with our Company	Age	Date First Elected or Appointed
John R. Hislop	Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, Secretary and Director	62	June 4, 1999

Summary Background

The following is a brief account of the education and business experience during the past five years of each director and executive officer, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

John R. Hislop, chairman of the board, president, chief executive officer, chief financial officer, secretary and director

Mr. Hislop has been the President and Chief Executive Officer of our company since October 22, 2003 and the Chairman, Chief Financial Officer, Secretary and a Director of our company since June 1999. Since 1990, Mr. Hislop has been working as an independent financial consultant and has served as an officer and director of various emerging growth companies. Mr. Hislop is currently serving as a Director and/or Officer on the following company: Director of XXL Energy Corp. (formerly Exxel Energy Corp.) since October 15, 2001, Chairman of the Board of XXL Energy Corp. (formerly Exxel Energy Corp.) since July 27, 2006, President and Chief Executive Officer of XXL Energy Corp. (formerly Exxel Energy Corp.) since December 31, 2008. In the past five years, Mr. Hislop has also served as a director of the following companies: formerly a Director of Patriot Petroleum Corp. from April 7, 1999 to February 16, 2011 (Mr. Hislop also served as President and Chief Executive Officer of Patriot Petroleum Corp. from October 22, 2003 to November 26, 2010); and formerly a Director of Q Investments Ltd., (formerly Cubix Investments Ltd.), an investment holding company for various public oil and gas companies, from February 1994 to December 2014. Mr. Hislop trained as a Chartered Accountant with Ernst & Young and has a bachelor of Commerce in Finance from the University of British Columbia.

We believe Mr. Hislop is qualified to serve on our board of directors because of his knowledge of our company's history and current operations, which he gained from working for our company as described above, in addition to his education and business experience as described above.

Term of Office

The directors serve until their successors are elected by the shareholders. Vacancies on the Board of Directors may be filled by appointment of the majority of the continuing directors. The executive officers serve at the discretion of the Board of Directors.

Family Relationships

None.

Involvement in Certain Legal Proceedings

Our director and executive officer has not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being the subject of, or party to, any federal or state judicial or administrative order, judgment, decree, or finding not subsequently reversed, suspended or vacated relating to an alleged violation of: (i) any federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a) (26) of the Securities Exchange Act of 1934), any registered entity (as defined in Section 1(a) (29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Committees of the Board

We currently have an audit committee. Our board of directors does not have any other committees.

Audit Committee

We are a reporting issuer in the Province of British Columbia and National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators requires our company, as a venture issuer, to disclose annually in our annual report certain information concerning the constitution of our audit committee and our relationship with our independent auditor.

Our audit committee consists of our sole director, John Hislop. Because Mr. Hislop is an executive officer of our company, he is not independent.

Our board of directors has determined that it does not have an audit committee member who qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. We believe that Mr. Hislop is financially literate and is capable of analyzing and evaluating our financial statements and

understanding internal controls and procedures for financial reporting. In addition, we believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have generated minimum revenues to date.

Since the commencement of our company's most recently completed financial year, our company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees relates to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (Exemptions) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 in whole or in part. We are relying on the exemption provided by section 6.1 of NI 52-110 which provides that we, as a venture issuer, are not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of our company. In meeting its responsibilities, the Audit Committee is expected to select the independent accountants, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent accountants, and oversee the services rendered by the independent accountants (including the resolution of disagreements between management and the independent accountants regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or related work. In addition, the Audit Committee is expected to periodically review and discuss with the independent accountants all significant relationships the independent accountants have with our company to determine the independence of the independent accountants, including a review of service fees for audit and non-audit services.

Our Audit Committee Charter was filed with the Securities and Exchange Commission as Exhibit 99.1 to our annual report on Form 10K filed on February 9, 2011.

Code of Ethics

Effective July 13, 2004, our company's board of directors adopted a Code of Business Conduct and Ethics that applies to, among other persons, members of our board of directors, our company's officers including our president (being our principal executive officer) and our company's chief financial officer (being our principal financial and accounting officer), contractors, consultants and advisors. As adopted, our Code of

Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

- (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- (3) compliance with applicable governmental laws, rules and regulations;
- (4) the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and
- (5) accountability for adherence to the Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics requires, among other things, that all of our company's personnel shall be accorded full access to our president and secretary with respect to any matter which may arise relating to the Code of Business Conduct and Ethics. Further, all of our company's personnel are to be accorded full access to our company's board of directors if any such matter involves an alleged breach of the Code of Business Conduct and Ethics by our company officers.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal, provincial and state securities laws. Any employee who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to his or her immediate supervisor or to our company's president or secretary. If the incident involves an alleged breach of the Code of Business Conduct and Ethics by the president or secretary, the incident must be reported to any member of our board of directors. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Business Conduct and Ethics by another.

Our Code of Business Conduct and Ethics was filed with the Securities and Exchange Commission as Exhibit 14.1 to our annual report on Form 10-KSB filed on July 15, 2004. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to: Nation Energy Inc., RPO Box 60610 Granville Park, Vancouver, British Columbia, V6H 4B9.

Stockholder Communications with Our Board of Directors

We do not have a formal procedure for stockholder communication with our board of directors. In general, our board and executive officer are accessible by telephone or mail. During the year ended March 31, 2015 there were no material changes to the procedures by which security holders may recommend nominees to our board of directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the Securities and Exchange Commission regulations to furnish our company with copies of all Section 16(a) reports they file.

To the best of our knowledge, based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during the year ended March 31, 2015, all filing requirements applicable to our executive officers, directors and greater than 10% shareholders were complied with other than as disclosed in the table below:

Name	Number of Late Reports	Number of Transactions Not Reported on a Timely Basis	Failure to File Requested Forms
John R Hislop	11 ⁽¹⁾	41 ⁽¹⁾	Nil
Privateer Capital Corp.	2	24	Nil

⁽¹⁾ Includes joint/group filings made by Jayco Investments Inc., Sextan Capital and Q Investments Ltd. John Hislop is the sole shareholder of Jayco Investments Inc., the sole director and officer of Sextan Capital and a former director and shareholder of Q Investments Ltd. Sextan Capital is a wholly owned subsidiary of Q Investments Ltd.

ITEM 11. EXECUTIVE COMPENSATION

The following table summarizes the compensation paid to our president and chief executive officer during the last two fiscal years. No other officers or directors received annual compensation in excess of \$100,000 during the last complete fiscal year.

SUMMARY COMPENSATION TABLE - YEARS ENDED MARCH 31, 2015 AND 2014									
Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
John Hislop President, Chief Executive Officer,	2015	Nil	Nil	Nil	Nil	Nil	Nil	\$42,000 ⁽¹⁾	\$42,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$42,000 ⁽¹⁾	\$42,000

Secretary, Chief Financial Officer and Director								
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(1) Effective November 1, 2010 the Company signed a management agreement for \$3,500 per month. This arrangement was between our company and Caravel Management Corp., a private management company owned by Mr. Hislop.

Employment or Consulting Agreements

Other than as described below, we have not entered into any employment or consulting agreements with any of our current officers or directors.

On January 1, 2009, we entered into a written contract with Caravel Management Corp., to provide office rent, reception, compliance and accounting services for \$7,865 per month. The agreement commenced on January 1, 2009 and continues on a month to month basis unless terminated by the parties. The agreement may be terminated by either party upon 30 days notice. Subsequently, we amended our agreement with Caravel Management Corp. to provide administrative services for \$3,500 per month, effective November 1, 2010.

Long-Term Incentive Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers, except that our directors and executive officers may receive stock options at the discretion of our board of directors. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors.

We have no compensatory plan or arrangement with respect to any officer that results or will result in the payment of compensation in any form from the resignation, retirement or any other termination of employment of such officer's employment with our company, from a change in control of our company or a change in such officer's responsibilities following a change in control.

Outstanding Equity Awards at Fiscal Year-End

None of our named executive officers held any unexercised options or stock awards that had not vested or equity incentive plan awards as of March 31, 2015.

Directors Compensation

We reimburse our directors for expenses incurred in connection with attending board meetings but did not pay director's fees or other cash compensation for services rendered as a director in the year ended March 31, 2015.

We have no standard arrangement pursuant to which our directors are compensated for their services in their capacity as directors except for the granting from time to time of

incentive stock options. The board of directors may award special remuneration to any director undertaking any special services on behalf of our company other than services ordinarily required of a director.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of June 3, 2015, there were 150,020,000 shares of our common stock outstanding.

The following table sets forth certain information known to us with respect to the beneficial ownership of our common stock as of that date by (i) each of our directors, (ii) each of our executive officers, and (iii) all of our directors and executive officers as a group. Except as set forth in the table below, there is no person known to us who beneficially owns more than 5% of our common stock.

Title of Class	Name & Address of Beneficial Owner	Amount and Nature of Beneficial Ownership⁽¹⁾	Percent of Class⁽¹⁾⁽²⁾
Common	John Hislop P.O. Box 7814 Ringwood, UK BH24 9FF	145,403,500 Direct	96.92%
Common	All Directors and Officers as a class	145,403,500	96.92%
5% Stockholders			
Common	John Hislop P.O. Box 7814 Ringwood, UK BH24 9FF	145,403,500 Direct	96.92%

Notes:

- (1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares.

Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

- (2) The percentage of class is based on 150,020,000 shares of common stock

issued and outstanding as of June 3, 2015.

Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change in control of our company.

ITEM 13.CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Except as otherwise indicated below, since April 1, 2013, there has been no transaction, or currently proposed transaction, in which our company was or is to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years and in which any of the following persons had or will have a direct or indirect material interest:

- (i) Any of our directors or officers;
- (ii) Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock; and
- (iii) Any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the foregoing persons.

We receive administrative services and back office support under a formal written management services agreement with Caravel Management Corp. Caravel is a private management company that is wholly-owned by John Hislop, our chairman, president, chief executive officer, secretary and chief financial officer. Effective November 1, 2010, the company revised its agreement with Caravel to provide management services for \$3,500 per month. The agreement with Caravel is on a month to month basis. In addition to administrative services, the agreement also provides for office rent and supplies. Total expenses recognized under this agreement for the years ended March 31, 2015 and 2014 were \$42,000 both years.

The Company entered into loan agreements with Caravel Management Corp. and John Hislop in 2003 and 2004 to fund operations. Caravel is a private management company that is wholly-owned by John Hislop, our chairman, president, chief executive officer, secretary and chief financial officer. The terms of these loan agreements provided that any principal amount outstanding is payable upon demand and bears interest at 15% per annum, payable quarterly. On March 31, 2006, the Company consolidated and restructured the loans. As part of the restructuring, the Company borrowed an additional C\$250,000 (US \$203,932). The new loan bears interest at 15% per annum, calculated and compounded monthly and is payable quarterly. Any principal amount outstanding under the loan is payable upon demand. The loan is payable in Canadian dollars and is secured by a Promissory Note. As of March 31, 2015, the principal balance of the loan was \$632,571 and accrued interest payable of \$525,510.

On July 18, 2014, the Company entered into a promissory note with the Company's sole officer and director, John Hislop ("Lender") for \$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing

effective July 18, 2014. The principal sum and all accrued and unpaid interest will become due and payable on July 18, 2016. As of March 31, 2015, the principal balance of the loan was \$50,000 and accrued interest payable of \$5,281.

On September 2, 2014, the Company entered into a promissory note with the Company's sole officer and director, John Hislop ("Lender") for C\$20,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective September 2, 2014. The principal sum and all accrued and unpaid interest will become due and payable on September 2, 2016. As of March 31, 2015, the principal balance of the loan was \$15,790 and accrued interest payable of \$1,441.

On January 29, 2015, the Company entered into a promissory note with the Company's sole officer and director, John Hislop ("Lender") for C\$50,000. The loan bears interest calculated quarterly, not in advance, at a rate of 15% per annum upon demand by the Lender, both before and after each of maturity, default and judgement commencing effective January 29, 2015. The principal sum and all accrued and unpaid interest will become due and payable on January 29, 2017. As of March 31, 2015, the principal balance of the loan was \$39,475 and accrued interest payable of \$990.

National Instrument 58-101

We are a reporting issuer in the Province of British Columbia. National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires our company, as a venture issuer, to disclose annually in our annual report certain information concerning corporate governance disclosure.

Board of Directors

Our board of directors consists of John Hislop. Our common stock is quoted on the OTCQB operated by the OTC Markets Group, which does not impose any director independence requirements. Under NASDAQ Marketplace Rule 5605(a)(2), a director is not considered to be independent if he is also an executive officer or is, or at any time during the past three years was, employee of the company. Under this rule, Mr. Hislop is not independent because he is our executive officer.

Orientation and Continuing Education

We have an informal process to orient and educate new recruits to the board regarding their role of the board, our committees and our directors, as well as the nature and operations of our business. This process provides for an orientation with key members of the management staff, and further provides access to materials necessary to inform them of the information required to carry out their responsibilities as a board member. This information includes the most recent board approved budget, the most recent annual report, the audited financial statements and copies of the interim quarterly financial statements.

The board does not provide continuing education for its directors. Each director is responsible to maintain the skills and knowledge necessary to meet his or her obligations as directors.

Nomination of Directors

The board is responsible for identifying new director nominees. In identifying candidates for membership on the board, the board takes into account all factors it considers appropriate, which may include strength of character, mature judgement, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the board. As part of the process, the board, together with management, is responsible for conducting background searches, and is empowered to retain search firms to assist in the nominations process. Once candidates have gone through a screening process and met with a number of the existing directors, they are formally put forward as nominees for approval by the board.

Compensation

The board is responsible for determining compensation for the directors and chief executive officer of our company to ensure it reflects the responsibilities and risks of being a director or chief executive officer, as applicable, of a public company.

Assessments

The board intends that individual director assessments be conducted by other directors, taking into account each director's contributions at board meetings, service on committees, experience base, and their general ability to contribute to one or more of our company's major needs. However, due to our stage of development and our need to deal with other urgent priorities, the board has not yet implemented such a process of assessment.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

Our company booked the following aggregate fees billed by StarkSchenkein, LLP for professional services rendered for the audit of our annual financial statements included in our Annual Report on Form 10-K for the fiscal years ended March 31, 2015 and 2014 and for the review of quarterly financial statements included in our Quarterly Reports were as follows:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Audit Fees*	\$25,500	\$24,500
Audit Related Fees	\$Nil	\$Nil
Tax Fees	\$2,250	\$1,600
All Other Fees	\$960	\$Nil
Total	\$28,710	\$26,100

In the above table, “audit fees” are fees billed by our company’s external auditor for services provided in auditing our company’s annual financial statements for the subject year along with reviews of interim quarterly financial statements. “Audit-related-fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of our company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Auditors

The board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors before the respective services were rendered.

The board of directors has considered the nature and amount of fees billed by StarkSchenkein LLP and believes that the provision of services for activities unrelated to the audit is compatible with maintaining StarkSchenkein LLP as auditors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits Required by Item 601 of Regulation S-K

Exhibit Number and Description

(3) Articles of Incorporation/Bylaws

3.1 Certificate of Merger (Delaware) effective June 12, 2003 (incorporated by reference from our Quarterly Report on Form 10-QSB filed with the Securities and Exchange Commission on August 19, 2003)

3.2 Certificate of Merger (Wyoming) effective June 13, 2003 (incorporated by reference from our Quarterly Report on Form 10-QSB filed with the Securities and Exchange Commission on August 19, 2003)

3.3 Amended & Restated Bylaws (Wyoming) (incorporated by reference from our Quarterly Report on Form 10-QSB filed with the Securities and Exchange Commission on November 14, 2003)

3.4 Certificate of Incorporation (incorporated by reference from our Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 13, 2010).

3.5 Articles of Amendment filed with the Secretary of State of the State of Wyoming on January 23, 2014 (incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2014).

(10) Material Contracts

10.1 1999 Stock Option Plan (incorporated by reference from our Registration Statement on Form 10-SB filed with the Securities and Exchange Commission on March 31, 2000).

10.2 Demand Promissory Note issued to Caravel Management Corp. and John Hislop, dated March 31, 2006 (incorporated by reference from our Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 13, 2010).

10.3 Management Services Agreement dated November 1, 2010 between Nation Energy Inc. and Caravel Management Corp. (incorporated by reference from our Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 2, 2010).

10.4 Letter Agreement with Paltar Petroleum Limited (incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on October 18, 2013).

10.5 First Amendment to Letter Agreement dated October 11, 2013 with Paltar Petroleum Limited (incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 8, 2014).

10.6* Promissory Note issued to John Hislop, dated July 18, 2014.

10.7* Promissory Note issued to John Hislop, dated September 2, 2014.

10.8 Amended and Restated Agreement with Paltar Petroleum Limited (incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2014).

10.9 Debt Settlement Agreement with John Hislop dated April 21, 2015 (incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2015).

10.10* Promissory Note issued to John Hislop, dated January 29, 2015

(14) Code of Ethics

14.1 Code of Business Conduct and Ethics (incorporated by reference from our Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on July 15, 2004).

(31) Section 302 Certifications

31.1* Section 302 Certification under Sarbanes-Oxley Act of 2002.

(32) Section 906 Certifications

32.1* Section 906 Certification under Sarbanes-Oxley Act of 2002.

(99) Additional Exhibits

99.1 Audit Committee Charter (incorporated by reference from our Annual Report on

(101) XBRL

101.INS* XBRL Instance Document
101.SCH* XBRL Taxonomy Extension Schema
101.CAL* XBRL Taxonomy Extension Calculation Linkbase
101.DEF* XBRL Taxonomy Extension Definition Linkbase
101.LAB* XBRL Taxonomy Extension Label Linkbase
101.PRE* XBRL Taxonomy Extension Presentation Linkbase

*Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATION ENERGY INC.

By: */s/John Hislop*

John Hislop - President, Chief Executive Officer, Chief Financial Officer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Date: June 3, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: */s/John Hislop*

John Hislop - President, Chief Executive Officer, Chief Financial Officer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Date: June 3, 2015

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OR 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Hislop, certify that:

1. I have reviewed this Annual Report on Form 10-K of Nation Energy Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to

- adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: June 3, 2015

/s/John Hislop

John Hislop

President, Chief Executive Officer, Chief Financial Officer and Director

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, John Hislop, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the Annual Report on Form 10-K of Nation Energy Inc. for the year ended March 31, 2015 ("the Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Nation Energy Inc.

Dated: June 3, 2015

/s/John Hislop

John Hislop

President, Chief Executive Officer, Chief Financial Officer and Director

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)