ENERLABS, INC.

FINANCIAL STATEMENTS

October 31, 2015

Together with Accountant's Compilation Report

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Accountants' Compilation Report

ENERLABS, INC.
Board of Directors:

Management is responsible for the accompanying financial statements of Enerlabs, Inc., which comprise the consolidated balance sheets as of October 31, 2015 and January 31, 2015 and the related consolidated statements of income for the three and nine months ended October 31, 2015 and 2014 and the consolidated statements of changes in cash flows for the nine months ended October 31, 2015, in accordance with principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles in the United States. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and changes in cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Leslie G. Pettitt, PC

Bethany, Oklahoma

December 21, 2015

ENERLABS, INC.
CONSOLIDATED BALANCE SHEETS

		October 31, 2015		January 31, 2015
ASSETS				
Current Assets				
Cash	$	793	$	621
Restricted cash		25,151		25,104
Accounts receivable		74,737		69,232
Deposits		63,339		63,217
Total Current Assets		164,020		158,174
Property and Equipment				
Oil and gas properties, using full cost accounting				
Proved properties		1,746,362		1,729,362
Less accumulated depreciation, depletion, and amortization, including impairment of $1,644,327 and $1,644,327 at October 31, 2015 and January 31, 2015, respectively		(1,651,920)		(1,649,146)
		94,442		80,216
Other, net of accumulated depreciation of $49,301 and $48,414 at October 31, 2015 and January 31, 2015, respectively		2,865		4,195
		97,307		84,411
Goodwill		146,703		146,703
Property held for resale		290,000		290,000
Total Assets	$	698,030	$	679,288
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	$	803,911	$	951,280
Due to related parties		577,440		466,724
Drilling advances		45,660		45,660
Current portion of lease		2,074		1,848
Current asset retirement obligation		-		-
Total Current Liabilities		1,429,085		1,465,512
Asset Retirement Obligation		6,721		6,079
Long-term lease		2,169		3,579
Total Liabilities		1,437,975		1,475,170
Stockholders' Equity				
Preferred stock, $0.0001 par value, 20,000,000 share authorized, no shares issued and outstanding October 31, 2015 and January 31, 2015, respective		-		-
Common stock, $.001 par value 100,000,000 shares authorized 13,817,184 and 12,317,184 shares issued and outstanding at October 31, 2015 and January 31, 2015 respectively		13,867		12,317
Additional paid in capital		20,979,611		20,919,911
Retained (deficit)		(21,733,423)		(21,728,110)
Total Stockholders' Equity		(739,945)		(795,882)
Total Liabilities and Stockholders' Equity	$	698,030	$	679,288

See Accountants' Compilation Report.

ENERLABS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

	Three months ended		Nine months ended	
	2015	**2014**	**2015**	**2014**
Revenue				
Oil and gas sales	$ 6,624	$ 13,622	$ 21,335	$ 46,322
Overhead and marketing revenue	(84)	619	32	3,926
Pipeline revenue	2,179	2,174	6,629	6,169
Total Revenue	8,719	16,415	27,996	56,417
Operating Expenses				
Lease operating expense	3,074	2,606	10,374	11,982
Pipeline and gathering expense	675	675	2,025	2,025
General and administrative expense	65,071	64,201	252,497	395,085
Depreciation, depletion and amortization	2,653	688	4,105	2,035
Total Operating Expenses	71,473	68,170	269,001	411,127
Operating (Loss)	(62,754)	(51,755)	(241,005)	(354,710)
Other (Expenses) Income				
Other income		-	252,831	37,075
Interest income	16	19	47	88
Interest expense	(181)	(6,369)	(17,186)	(17,913)
Total Other (Expense)	(165)	(6,350)	235,692	19,250
Net (Loss) before Income Taxes	(62,919)	(58,105)	(5,313)	(335,460)
Provision for income taxes	-	-	-	-
Net (Loss)	$ (62,919)	$ (58,105)	$ (5,313)	$ (335,460)
Net (Loss) per Share, Basic and Diluted	$ (0.01)	$ (0.00)	$ -	$ (0.03)
Weighted average of number of shares outstanding	13,817,184	13,872,802	13,435,968	13,363,338

See Accountants' Compilation Report.

ENERLABS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities		
Net (Loss)	$ (5,313)	$ (335,460)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation, depletion and amortization	4,105	2,035
Common stock issued for services	61,250	171,250
Gain on settlement of debt	(252,831)	(37,525)
(Increase) Decrease in:		
Restricted cash	(47)	(88)
Accounts receivable	(5,505)	-
Deposits	(122)	16,344
Increase (Decrease) in:		
Accounts payable and accrued expenses	105,462	137,584
Drilling advances	-	618
Asset retirement obligation	642	789
Net Cash Flows Used By Operating Activities	(92,359)	(44,453)
Cash Flows From Investing Activities		
(Investment in) oil and gas properties	(17,001)	-
Net Cash Used In Investing Activities	(17,001)	-
Cash Flows from Financing Activities		
Advances from related parties and stockholders	110,716	44,245
Payments on capital lease	(1,184)	(1,155)
Net Cash Provided By Financing Activities	109,532	43,090
Increase (Decrease) in Cash	172	(1,363)
Cash at Beginning of Period	621	3,492
Cash at End of Period	$ 793	$ 2,129

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