Skye Petroleum, Inc.

We Make Life Easier for Oil Producers

First Quarter Financial Report

March 31, 2016

1) **The exact name of the issuer and its predecessor (if any).**

Current Name: **Skye Petroleum, Inc.**

2) **The address of its principal executive offices.**

13515 Southwest Freeway, Suite 207
Sugar Land, Texas 77478

Phone: 281-265-1199
Fax: 281-265-0979
Email: Office@SkyePetroleum.com
Website: www.skyepetroleum.com

3) **Security Information**

Trading Symbol: SKPO
Exact title and class of securities outstanding: Common Stock
CUSIP: 83084C 108

Par or stated value of Common shares: .001

Total Common Shares Authorized: 290,000,000 as of March 31, 2016
Total Common Shares Outstanding: **249,959,400** as of March 31, 2016

Par or stated value of preferred shares: .01
Total Preferred Shares Authorized: 10,000,000 as of March 31, 2016
Total Preferred Shares Outstanding: 0 (None) as of March 31, 2016

Transfer Agent:

Jersey Stock Transfer LLC
1250 Sussex Turnpike, # 606
Mount Freedom, New Jersey 07970
Phone: 973.814.7004
Fax: 973.215.2740

The transfer agent is registered under the Securities Exchange Act of 1934

List any restrictions on the transfer of security:

None

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

None

4) Issuance History: List of securities offerings and shares issued for services in the past two years and interim period.

Skye Petroleum, Inc. ended 2012 with 207,247,000 common shares outstanding
Skye Petroleum, Inc. ended 2013 with 228,377,000 common shares outstanding
Skye Petroleum, Inc. ended 2014 with 244,659,400 common shares outstanding
Skye Petroleum, Inc. ended 2015 with 247,459,400 common shares outstanding.
Skye Petroleum, Inc. issued 2,500,000 additional shares during the first quarter of 2016 to a Director and Officer for services provided in 2015. Total shares outstanding as of this report are 249,959,400.

Securities Act Rule 506(b) Offering

A. Skye Petroleum, Inc. ("Skye" or "The Company") began its capitalization efforts using a Private Placement Memorandum (PPM), to issue Skye Petroleum, Inc. Common stock, operating under the Securities Act Rule 506 in December 2009. This offering allowed up to 35 "non-accredited" investors. No funds have been received from this offering since June 2011 in its original form. The offering was later amended from a 10 cent offering to a 5 cent offering.

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

The states where the offering was registered since 2009 are Texas, New York, Louisiana, Wisconsin, California, Mississippi, North Carolina, Utah, Washington, Kansas, Oregon, California, Oklahoma, Connecticut, Rhode Island, Tennessee and Idaho.

C. The number of shares offered;

The Amended PPM, Rule 506, is offering 60 million shares. The majority of these shares have been issued as of the date of this report.

D. The number of shares sold;

Since January 1, 2014, the Company has sold and or awarded shares for services totaling **51,582,400 common shares**. During 2014, the then current Directors contributed 30,000,000 shares to the Company's Treasury and at March 31, 2016, the Company had another 10,040,600 shares available for sale to raise capital and provide further funding.

E. The price the shares were offered and the amount paid to the issuer.

The initial PPM was priced at 10 cents per share, but was later modified to 5 cents per share by the Board of Directors in April 2012. The original investors in the 10 cent PPM were given an adjustment in their shares as if they had originally purchased the shares at 5 cents. This caused an additional 9,547,000 shares to be issued to those shareholders in July 2012. The capital paid to the issuer in the initial and amended offerings was $2,691,338.

F. The shares in these offerings were issued under "Legend" and restricted from sale in the public market for one year. As of March 31, 2016, the majority of the issued shares are no longer restricted.

G. The certificates when originally issued do carry a legend and state that the shares have not been registered under the securities act and set forth the restriction on transferability and the sale of the shares under the securities act.

Negotiated Settlement with the CEO

In December 2013, Skye Petroleum issued Gerald Weber 5,425,700 common shares of Skye Petroleum, Inc. Weber had given the company numerous advances in the early start up years of Skye Petroleum. Weber benefited the company nearly $400,000 in the first few years with direct advances to the company and buying out past management in private transactions. Weber had been given the choice of repayment of the advances or a stock settlement.

Company Purchases Patent for Violate Phosphate Removal Method for 200,000 shares

On February 11, 2014, Skye Petroleum, Inc. purchased a US patent from a private Canadian company for 200,000 common shares of Skye Petroleum, Inc.

Company Stock Bonus to Employees and Advisors

On March 28, 2014, the Board of Directors issued a stock bonus of 17,275,000 common shares of Skye Petroleum, Inc. to the following: Robert Reis, 5,000,000; Scot Stutzman, Brandon Rhodes, Buck Eaton 2,500,000 each; Jon Laria, 1,500,000; Adrienne Eaton, Ben Petitti, 1,000,000 each; Tom McCartney, Larry Gatlin 500,000 each; Marc Griffiths, James Wilson 100,000 each; Kathryn Griffiths 50,000; Keith Lantrip 25,000.

Company Shares Issued for Services to Skye Petroleum, Inc. on December 23, 2014: 5,045,000

Robert Reis,	5,000,000 for general services to Skye Petroleum, Inc.
Billy Joe Edwards	25,000 for a short term loan to Skye Petroleum, Inc.
Joshua lambert	20,000 for developing new company web site

All shares were issued under Restrictive Legend

Board of Directors of Skye Petroleum, Inc. Contribute Shares back to Company Treasury: (30,000,000)

On December 30, 2014, the Board of Directors of Skye Petroleum, Inc. contributed back to the Company a total of 30,000,000 Common shares to the company treasury for use in raising further funds, as needed for the benefit of the shareholders. This action reduced the outstanding shares from 274,659,400 to 244,659,400. The following is the amount each member of the Board contributed back to the Company.

Gerald Weber	19,000,000
Buck Eaton	5,000,000
Brandon Rhodes	5,000,000
Jon Laria	1,000,000

Company Shares Issued to Gary Merritt as a Signing Bonus to become President and CEO

On February 19, 2015, Skye Petroleum issued 2,500,000 shares of restricted stock to Gary Merritt to become President and CEO of the company. The company issued another 2,500,000 shares to Mr. Merritt on March 15, 2016 after he completed his first year of service to the company. This completes the stock awards under the terms of his employment agreement in the Board Resolution dated January 22, 2015.

5) Financial Information for the issuer's most recent fiscal period.

SKYE PETROLEUM, INC.

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIODS ENDED MARCH 31, 2016 AND 2015

SKYE PETROLEUM, INC.

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SKYE PETROLEUM, INC.
BALANCE SHEET (Unaudited)
For the periods ended March 31, 2016 and December 31, 2015

ASSETS	March 31, 2016	December 31, 2015
Current Assets		
Cash	$27,458	$13,623
Accounts Receivable	7,853	33,502
Inventory	70,569	75,437
Total Current Assets	105,880	122,562
Property and Equipment, net	12,312	14,333
Intangible Assets, net	813,042	835,167
TOTAL ASSETS	$931,234	$972,062
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$671	$18,015
Other current liabilities	0	2,500
Total Current Liabilities	671	20,515
Long-term Debt		
Long – term obligations	0	0
TOTAL LIABILITIES	671	20,515
STOCKHOLDERS' EQUITY		
Common stock; 290,000,000 shares authorized, at $.001 par value; 249,959,400 and 247,459,400 shares issued and outstanding, respectively	249,959	247,459
Capital in excess of par	13,765,780	13,765,780
Accumulated deficit	(13,085,176)	(13,061,692)
Treasury Stock 30,000,000 shares	0	0
TOTAL STOCKHOLDERS' EQUITY	930,563	951,547
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$931,234	$972,062

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

SKYE PETROLEUM, INC.
STATEMENTS OF OPERATIONS (Unaudited)
For the periods ended March 31, 2016 and 2015

		Unaudited	
		Three Months Ended	
		March 31, 2016	March 31, 2015
REVENUE			
Chemical sales	$	35,898	43,424
		35,898	43,424
OPERATING EXPENSES			
Chemicals		(22,484)	(24,802)
Selling, general and administrative		(12,781)	(35,787)
Depreciation & amortization		(24,146)	(25,378)
Total Operating Expenses		(59,411)	(85,967)
(LOSS) FROM OPERATIONS		(23,513)	(42,543)
Other income		29	102
PROVISION FOR TAXES		0	0
NET (LOSS)	$	(23,484)	(42,441)
WEIGHTED SHARES OUTSTANDING		247,898,960	245,930,511
NET (LOSS) PER SHARE	$	(0.00)	(0.00)

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

SKYE PETROLEUM, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT (Unaudited)
For the periods ended March 31, 2016 and December 31, 2015

Unaudited	**Shares Outstanding**	**Common Stock**	**Add'l Paid in Capital**	**Accumulated Deficit**	**Total Equity**
Balance at December 31, 2014	244,659,400	244,659	13,757,080	(12,898,357)	1,103,382
Issuance of common stock to director and officer	2,500,000	2,500	0	0	2,500
Sale Proceeds from common stock sales	300,000	300	8,700		9,000
Net Loss for the period ended December 31, 2015				(163,335)	(163,335)
Balance at December 31, 2015	247,459,400	247,459	13,765,780	(13,061,692)	951,547
Issuance of common stock to director and officer	2,500,000	2,500	0	0	2,500
Net Loss for the period ended March 31, 2016				(23,484)	(23,484)
Balance at March 31, 2016	249,959,400	249,959	13,765,780	(13,085,176)	930,563

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

SKYE PETROLEUM, INC.
STATEMENTS OF CASH FLOWS (Unaudited)
For the periods ended March 31, 2016 and 2015

	Unaudited	
	March 31, 2016	**March 31, 2015**
Cash Flows from Operating Activities:		
Net loss for the period	$ (23,484)	$ (42,441)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation expense and amortization	24,146	25,378
Changes in current assets or liabilities	10,673	(3,908)
Shares issued to officers & vendors	2,500	2,500
Net Cash Used In Operating Activities	13,835	(18,471)
Cash Flows from Investing Activities:		
Acquisition of property and equipment	0	0
Net Cash Provided By (Used In) Investing Activities	0	0
Cash Flows from Financing Activities:		
Proceeds from stock sale	0	9,000
Net Cash Provided By Financing Activities	0	9,000
Net Increase (Decrease) in Cash	13,835	(9,471)
Cash at beginning of period	13,623	14,247
Cash at end of period	$ 27,458	4,776
Supplemental Cash Flow Information:		
Cash paid for interest	$ 0	0
Cash paid for income taxes	$ 0	0

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

SKYE PETROLEUM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Skye Petroleum, Inc. is a Delaware corporation. Skye Petroleum, Inc. reported revenues since reestablishing itself during the third quarter of 2011 and therefore is no longer considered a development stage enterprise. It will continue to devote efforts to raising capital resources and other business development opportunities until it becomes self-sustaining. The Company considered December 20, 2001 the inception of the development stage for financial reporting purposes because on that date bankruptcy proceedings were dismissed by the bankruptcy court and the Company began to focus on future activities.

Skye Petroleum, Inc. (the Company) has developed a unique and pro-active approach in dealing with the problem of paraffin buildup that can clog and limit the flow of oil in oil wells and pipelines. Many of today's wells are experiencing flow assurance problems that create costly flow blockages in oil production. Paraffin is a heavy organic produced by petroleum fluids. These paraffin deposits exist in crude oil in various quantities and forms. During the oil production process, paraffin will precipitate or crystallize into solids when temperature or pressure drops. The flow of oil will decrease as a result of blockages in the walls of the tubular and the reservoir surfaces when these heavy solids prevent its designed flow.

This unique chemistry has been proven to be successful in both new completion and production operations for oil wells. This proprietary chemical treatment has been both lab tested and field-tested in oil wells in numerous locations throughout the United States. The results of these tests have led to further chemical sales and distribution in many areas. In the Commonwealth of Pennsylvania, Hoover Oil Field Supply (Clarendon and Bradford) and Bayless Fuel in Titusville have begun distributing Skye’s primary technology, Skye Chem Wax Dispersant-Ready to Use (WD-RTU), in their stores and have had good reports from local operators. Also, Skye has now sold the WD-RTU through several distributors in Alabama, Houston and south Texas. The Companies most successful sales results thus far came in 2014 from using the Skye Chem WD-RTU as a paraffin inhibitor in the fracturing process in the west Texas Permian Basin oil field. The downturn in the oil industry drilling has limited sales in 2015 and in the immediate future. The Company continues to look into opportunities in other parts of the world.

For the first quarter 2016, chemical sales were $35,898 versus $43,424 in 2015.

The market has tightened up dramatically since the price of oil dropped precipitously in the fourth quarter of 2014. Drilling and oil production activities have dramatically slowed down in the United States. The Company is putting its efforts into growing sales directly and through distribution companies. Skye has sold new Drilling and Completion fluids that it carries in its line in Pennsylvania. Skye Petroleum offers a line of chemical products for most phases of the oil industry at this time.

1. ORGANIZATION (continued)

In August 2013, the Company held its Annual Shareholders Meeting and re-elected Gerald Weber, Chairman (Chief Executive Officer and President), Wentworth "Buck" Eaton (Chief Operations Officer), R. Brandon Rhodes (Chief Development Officer), Jon Laria (Chief Financial Officer) and James Ryerson (Chairman Emeritus) to the Company's Board of Directors. Scot Stutzman was appointed as an officer and awarded the title: Senior Vice President, Eastern Region. Unfortunately, James Ryerson passed away in October 2013. He had been retired and was not active in the daily operations of the company. His Board seat was filled by Gary Merritt in January 2015. Cindy Kothmann was appointed to the Board in February of 2015, when Brandon Rhodes resigned from the Board.

On May 14, 2015, Skye held its Annual Meeting of the Shareholders in Sugar Land, TX. Gary Merritt, Jon Laria and Cindy Kothmann were approved as members of the Board. Gerald Weber and Buck Eaton retired as Directors at this election.

In the fourth quarter of 2013, Skye purchased a chemistry that treats for asphaltenes in oil wells, tanks and pipelines. Skye paid $25,000 cash and will continue to pay royalties on future sales.

In the first quarter of 2014, Skye purchased a newly patented phosphate removal process that the company believes could have strong potential. Skye purchased this technology from a privately held Canadian company for 200,000 shares of the common stock of Skye Petroleum, Inc. At the time the transaction closed, the shares had a value of $30,000.

The Company has not sold shares since the first quarter of 2015. The Company does have $105,000 in net working capital including $27,000 in cash to fund operations. The Company intends to seek more funding by selling shares to fund operations. The Company raised $9,000 during 2015 and $809,300 during 2014 and $416,000 during 2013 by selling a total of 39,766,700 shares of common stock.The Company is exploring several opportunities to recapitalize. In December 2014, the Board donated 30,000,000 common shares to the company to be available for resale as Treasury stock of the Company.

1. **ORGANIZATION (continued)**

The Company has experienced a significant slowdown in sales since the fourth quarter of 2014 primarily due to market conditions related to the drop in the price of oil. The industry has experienced significant cost cutting and employee layoffs, along with a reduced capital expenditures. This has directly impacted Skye's sales and we have taken steps to reduce costs and overhead expenses including employee layoffs. The Company had no payroll in 2015 and paid commissions when applicable on sales generated. Our sales volumes are related to the oil industry's production and transportation. The oil producers adjust to the price of oil accordingly which affects the entire industry's sales and profit margins.

In January 2015, the Company hired Gary Merritt to the position of President and Director of the Company. As part of Mr. Merritt's employment agreement, the Company has an incentive plan that entitled Mr. Merritt 5 million shares of the Company's common stock. Mr. Merritt has an extensive background in finance and real estate. He has taken over managing the day to day operations of the Company. He is also an investor into the Company.

Basis of Presentation: The financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The Company believes that the disclosures made are adequate to make the information presented not misleading. The information reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the periods set forth herein. All such adjustments are of a normal and recurring nature.

Accounting Method: The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy: The Company has not yet adopted a policy regarding payment of dividends.

Basic and Diluted Net Income (loss) Per Share: Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Basic net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding in each period.

Trade Accounts Receivable: The Company's billing terms are net balance due within 30 days of invoicing.

Advertising and Market Development: The Company expenses advertising and marketing costs as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition: Skye's primary source of revenue is through chemical sales. The Company changed its strategy in late 2011 from production sharing arrangements to direct sales. Skye sold $4,800 of chemicals in 2011, followed by $48,860 in 2012, $169,028 in 2013, $818,569 in 2014 and $162,580 in 2015. In 2013, Skye has sold all of its remaining oil leases for cash and retained a 1% overriding royalty interest. The royalty began in the fourth quarter of 2013. Skye is not anticipating significant revenue from this royalty interest. Therefore, most of Skye's revenue will be derived from chemical sales through distribution partners and direct sales. The royalties are considered immaterial to the overall revenue at this time and are reported in "Other Income".

Income Taxes: The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws is recorded, when it is more likely than not, that such tax benefits will not be realized.

Financial and Concentrations Risk: The Company does not have any concentration or related financial credit risks except for cash and accounts receivable, however, the Company considers the accounts to be fully collectible at the recorded amounts. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Property and Equipment: Property and equipment are stated at cost. Depreciation is computed on the straight line method over the estimated useful lives of the assets, which range from 1 to 10 years.

Inventory: Inventory consists of chemicals, and are stated at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventories are reviewed and reconciled quarterly. The Company's inventory was purchased in 2014. The Company does not have enough operating history with its proprietary products to effectively gauge the useful shelf life of its product. Inventory sold in 2015 continued to be effective. The Company recorded a reserve of $16,266 to reduce the carrying value of its inventory to reflect management's best estimate of its net realizable value as of December 31, 2015. No additional reserve adjustment was recorded in the first quarter of 2016.

Goodwill: Goodwill is recorded when the purchase price of an acquired business exceeds the fair value of the net assets acquired. Goodwill is not amortized. The Company had no goodwill on its books for either period presented.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets: Intangible assets currently include the purchase price for its proprietary process used to treat oil wells. The Company exchanged 30 million shares of its common stock for the intellectual rights for the treatment of oil wells developed by Jim Ryerson in December 2009. The Company valued the stock at $30,000, or $0.001 per share and it will amortize the intangible asset over an estimated useful life of 10 years.

On October 19, 2010, the Company agreed to terms with a privately held Canadian company for the purchase of the chemical formulations and for the process it uses in treating oil wells in exchange for 20 million shares of the Company's common stock. The Company recorded this transaction as a purchase of an intangible asset at a fair market value of $1,200,000, or $0.06 per share, the value of the stock at the time of signing the agreement and it is reflected in these financial statements. This intangible is being amortized over a period of ten years.

On September 24, 2013, the Company purchased the chemical formulations for treating asphaltenes in exchange of $25,000 note and future royalties from sales of this product. The note was paid in full in the fourth quarter of 2013.

In the first quarter of 2014, Skye purchased a patented technology for the removal of volatile phosphates from hydrocarbon based fracturing fluids. Skye paid 200,000 shares of its common stock, worth $30,000 at closing.

Impairment of Long-Lived Assets: The Company reviews its major assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is considered impaired, then impairment will be recognized in an amount determined by the excess of the carrying amount of the asset over its fair value.

Financial Instruments: The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short-term maturities. Securities that are publicly traded are valued at their fair market value based as of the balance sheet date presented. The Company does not own any financial instruments in the periods presented.

Stock Based Compensation: The Company awards shares to its Board of Directors for service on the Board. The shares issued to the Board are "restricted" and are not to be re-sold unless an exemption is available, such as the exemption afforded by Rule 144 promulgated under the Securities Act of 1933, as amended.

The Company has recognized the expense based on the par value. These transactions were recorded at $0.001 per common share, or at par value of the Company's stock. In 2013, the Board authorized the

issuance of 22,275,000 shares to the Directors, Officers and key personnel. 17,275,000 shares were issued on March 28, 2014. The additional 5 million shares were issued later in December 2014.

On December 30, 2014, the Board of Directors of Skye Petroleum, Inc. contributed a total of 30 million shares back into the Company treasury for use in raising further capital as needed. Gerald Weber contributed nineteen (19) million shares, Buck Eaton and Brandon Rhodes contributed five (5) million shares each and Jon Laria contributed one (1) million shares.

On January 22, 2015, the Company hired Gary Merritt to the position of President and Director of the Company. As part of Mr. Merritt's employment agreement in this Board Resolution, the Company granted Mr. Merritt 2.5 million shares of the Company's common stock on February 19, 2015 with the additional 2.5 million shares earned on December 31, 2015 and paid on March 2, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainties – The accompanying financial statements have been prepared on a going concern basis. **The ability of the Company to continue as a going concern during the next twelve months depends on the ability of the Company to generate revenues from operations, to raise more capital or obtain new sources of financing sufficient to sustain operations**. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

3. INCOME TAXES

The Company has incurred losses since its inception and, therefore, has not been subject to federal income taxes. As of March 31, 2016 the Company had net operating loss ("NOL") carry forwards for income tax purposes of approximately $13.2 million which expire in various tax years through 2021.

Under the provisions of Section 382 of the Internal Revenue Code, ownership changes in the Company in 1997 and again in 2001 will severely limit the Company's ability to utilize its NOL carry forward to reduce future taxable income and related tax liabilities. Additionally, because United States tax laws limit the time during which NOL carry forwards may be applied against future taxable income, the Company may be unable to take full advantage of its NOL for federal income tax purposes should the Company generate taxable income.

4. COMMITMENTS AND CONTINGENCIES

LEGAL PROCEEDINGS: The Company may be periodically subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, such legal proceedings and claims will not materially affect the financial position, results of operations or cash flows of the Company.

5. STOCKHOLDERS' EQUITY

The company began operations under new management on December 2, 2009 and began capitalizing the company through a Private Placement Memorandum Offering (PPM) under the Securities Act Rule 506(b). The company also used a Private Securities Agreement (accredited Investors only) for a short time in 2011 and 2012. On April 4, 2012, the Board of Directors voted to amend the Private Placement Memorandum Offering that was previously used to raise capital by selling restricted shares at .10 per share.

The amendment established the sales price for those shares issued at .05 per share. This required the company to issue a total of 9,547,000 shares to those shareholders. The shares were issued in July 2012. This issuance caused a dilution of 4.84% of the shares outstanding as of the period ending 3/31/2012. Not all investors were "accredited investors" as that term is defined under Regulation D ("Regulation D") of the Securities Act of 1933, as amended (the "Securities Act"). By law, a maximum of 35 "non-accredited" investors are allowed to participate in this offering. The Private Placement was exempt from registration under the Securities Act pursuant to Regulation D. One of the investors was a related party to the CEO. Proceeds from the Private Placement were used to meet projected cash flow requirements during the development stage process. The Company records the issuance of common stock at the time the transaction is completed which is typically the date funds are received. The amount of shares issued and outstanding per transfer agent may vary from the number of shares recorded in these financial statements due to the timing between when shares are sold and when they get reported as issued by the transfer agent.

During the first quarter of 2011, the Company amended its Articles of Incorporation authorizing the issuance of up to 10,000,000 shares with a par value of $0.01 of Preferred stock and 290,000,000 shares with par value $0.001 of Common stock.

The Company later filed an Amendment to the first offering with the SEC to issue up to 60 million shares at 5 cents per share. The company will continue to raise funds by issuing restricted shares or by selling its Treasury stock.

TREASURY STOCK: On December 30, 2014, the Company's Directors contributed 30,000,000 shares of Skye's common stock back to the company as part of its 2015 recapitalization plan. On January 21, 2015, the Company hired Gary Merritt as its President and as a new Director of the Company effective immediately.

PREFERRED STOCK: The Company's articles of incorporation authorize the issuance of up to 10,000,000 shares of preferred stock, with a par value of $.01 and other characteristics determined by the Company's board of directors. As of March 31, 2016, there was no preferred stock issued or outstanding.

6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

On December 30, 2014, the Company's four (4) Directors contributed 30,000,000 shares of Skye Petroleum, Inc. common stock into the Company's Treasury as part of its recapitalization plan discussed above under **TREASURY STOCK**. The Company plans to sell them to raise additional capital to fund operations.

As of March 31, 2016, officers, directors, beneficial owners and their related parties own approximately 38% of the outstanding common stock of the Company.

SKYE PETROLEUM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. GOING CONCERN

The Company has incurred operating losses in its two most recent fiscal years and the most recent quarter, and in the past its operating activities have required financing from related parties. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company believes for us to achieve significant growth to generate positive cash flow from operations will require further outside financing.

8. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to March 31, 2016 through May 13, 2016, the date these financial statements were issued. The company has determined that it does not have any additional material subsequent events to disclose, other than those disclosed above.

End of Financial Statements and Notes

6) The nature of the issuer's business.

A. Description of the issuer's business operations;

Skye Petroleum, Inc. owns ten (10) chemistry's for the treatment of paraffin, asphaltene and sludge in various applications throughout the oil industry. Skye is focused on both selling directly to oil and gas operators who treat their own wells, as well as through distribution channels. Skye Petroleum continues to distribute

products through multiple channels in Pennsylvania, Texas and Alabama. Skye's leading technology (Skye Chem Wax Dispersant or WD) is currently serving multiple purposes in the oil patch. Skye Chem WD is a calculated mixture of solvents, penetrants, non-emulsifying surfactants pour point depressants ("PPD") and dispersants. The WD is designed for rapid penetration into the granular areas of paraffin matrix and disrupts the cohesive binding, allowing the waxes to mix with the produced oil, thus allowing the oil to aid in dissolving the wax. The PPD and dispersants keep the wax from re-precipitating from the crude oil.

The first chemistry acts as a wedge between the wax crystals breaking them apart and encouraging them to slide by one another. The second chemistry changes the polarity of the crystals to a like charge which makes them want to stay away from each other. The third is a crystal modifier which distorts the edges of the crystals making it very difficult for them to fit together. The combined action results in much greater flow through the production stream carrying harmful paraffin's out of the well bore maximizing production and reducing maintenance costs and down time.

In the first quarter of 2014, Skye acquired a patented technology for the removal of volatile phosphate from hydrocarbon based fracturing fluids. This will provide more diversification into Skye's product offerings. Skye anticipates partnering in the future with another company for sales and marketing.

Skye has also developed a line of drilling and completion fluids with sales occurring in the Commonwealth of Pennsylvania in late 2014 and early 2015. Due to the drop in the price of oil, sales in the fourth quarter of 2014 and all of 2015 slowed significantly as operators aggressively began cutting expenses and expenditures. Oil producers are forced to decide whether to spend money to treat wells with paraffin problems or let them go dormant until oil prices are high enough to make economic sense. New drilling rigs operating in North America were cut in half during the last 12 months.

B. The jurisdiction(s) and date of the issuer's incorporation or organization.

United States - Delaware (November 24, 1987)

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

1389 Oil & Gas Field Services

D. The issuer's fiscal year end date;

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E. Principal products or services, and their markets;

Offer chemical treatment (paraffin and asphaltenes) services to the oil industry for treatment of their existing oil wells, flow lines, tanks, terminals, pipelines and vessels.

Skye primarily sells through distributors in the US, but will sell directly to oil companies when needed. Skye intends to expand sales into international markets when feasible.
Skye anticipates partnering with another company with the recently acquired phosphate removal process that will be used to treat hydrocarbon based fracturing fluids upon flow back.

Also, the Company intends to distribute drilling and completion fluids into regions Skye is already active. Skye is working to become a full line oil field chemical company, offering fluids in both drilling and completion, along with its current mix of production fluids that can affect the oil industry from upstream to downstream operations.

7) Describe the Issuer's Facilities

The company has an office on a month to month lease in Sugar Land, Texas. The office serves as the company's headquarters and houses its sales reps.

8) A. Names of Officers, Directors and Control Persons

Gary Merritt, Chairman, President, CEO & Director
Cindy Kothmann, Director
Jon Laria, Chief Financial Officer & Director
Scot Stutzman, Sr. Vice President, Eastern Region
Gerald Weber, Control Person

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

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

   None

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

   None

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

   None

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

None

C. Beneficial Shareholders.

Name and Address of Beneficial Owner	**Amount of Beneficial Ownership**	**Percentage Owned > 10%**
Gerald Weber 3350A Highway 6 S # 548 Sugar Land, TX 77478	69,537,067 Shares	28.1%

9) Third Party Providers

Legal Counsel:

Morgan E. Petitti, Esq.
114 Barrington Town Square, Suite 159
Aurora, OH 44202

Accountant or Auditor:

Mary B. George, CPA
PO Box 6559
Houston, TX 77265

Investor Relations Consultant:
NONE

Other Advisor:
NONE

10) Issuer Certifications

I, Gary Merritt, CEO, certify that:

1. I have reviewed this disclosure statement of Skye Petroleum, Inc.

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

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

Date: May 13, 2016

/s/ Gary Merritt

Gary Merritt,
Title: Chief Executive Officer

I, Jon Laria, CFO, certify that:

1. I have reviewed this disclosure statement of Skye Petroleum, Inc.

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

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

Date: May 13, 2016

/s/ Jon Laria

Jon Laria,
Title: Chief Financial Officer