

**ISSUER QUARTERLY DISCLOSURE  
STATEMENT**

**QUARTER ENDED  
MARCH 31, 2018**

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**Supernova Energy, Inc.**  
(A Nevada Corporation)

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**TRADING SYMBOL: SPRN**

**CUSIP NUMBER: 86845R 207**

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**ISSUER'S EQUITY SECURITIES:**

**Voting Common Stock, \$0.001 par value**

**Issued and Outstanding Common Shares as of the quarter ending  
March 31, 2018: 45,000,572**

**TRANSFER AGENT:**

Action Stock Transfer Corporation  
2469 E. Fort Union Blvd., Suite 214  
Salt Lake City, UT 84121  
Telephone: (801) 274-1088 Fax: (801) 274-1099  
Email: <mailto:action@actionstocktransfer.com>

# **SUPERNOVA ENERGY, INC.**

## **Quarter ended March 31, 2018**

### **Information required for compliance with the provisions of the OTC Markets, Inc., OTC Pink Disclosure Guidelines (Version 1.1.1 04/25/13)**

Because we want to provide more meaningful and useful information, this Disclosure Statement contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend,” and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Disclosure Statement.

#### **Item 1. The exact name of the Issuer and its predecessors (if any).**

The exact name of the Issuer is Supernova Energy, Inc. Supernova Energy, Inc. (“the Company”) is an oil and gas exploration and production company incorporated in the state of Nevada on June 22, 2009 under the name Northumberland Resources, Inc. On October 21, 2013, the Company elected to change its corporate name from Northumberland Resources, Inc. to Supernova Energy, Inc.

Other than listed above, the corporation has used no other names in the past five years.

#### **Item 2. Address of the Issuer's Principal Executive Offices**

The address of the Company is:  
265 Sunrise Hwy, Suite 1-276 Rockville Centre, New York 11570

Attention: Kevin G. Malone  
The telephone number is (785) 370-3454  
Email contact: [ceo@supernovaenergyinc.com](mailto:ceo@supernovaenergyinc.com)  
Website: <http://supernovaenergyinc.com>

**Item 3. Security Information (as of March 31, 2018)**

**Trading Symbol:** SPRN

**CUSIP:** 86845R 207

Exact Title and Class of Securities Outstanding:

Common Stock: Par or Stated Value: \$0.001

Total Shares Authorized: 102,000,000 (Common: 100,000,000 & Preferred: 2,000,000)

Total Common Shares Outstanding at of March 31, 2018: 45,000,572

Total Preferred shares outstanding as of March 31, 2018: 577,600.

(The preferred shares have a 100 to 1 conversion and voting rights)

**Transfer Agent:**

Action Stock Transfer Corporation

2469 E. Fort Union Blvd., Suite 214

Salt Lake City, UT 84121

Telephone: (801) 274-1088 Fax: (801) 274-1099

Email: <mailto:action@actionstocktransfer.com>

Is the Transfer Agent registered under the Exchange Act: Yes  No

List any restrictions on the transfer of securities: of the 45,000,572 issued and outstanding common shares, all the 45,000,572 are free trading shares and none are restricted shares that are subject to Rule 144.

Describe any trading suspension orders issued by the SEC in the past 12 months: **None**

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

**None**

**Item 4. Issuance History**

**2012:** At the year ending December 31, 2012 there were 311,145 common shares issued and outstanding and 809,400 preferred shares outstanding.

**2013:** During 2013 1,100 common shares were issued in settlement of debt in the amount of \$109,644 and 5,021 common shares were issued for cash totaling \$465,000. At the year ending December 31, 2013 there were 317,266 common shares issued and outstanding and 809,400 preferred shares issued and outstanding.

**2014:** There were 65,000 preferred shares issued at \$1.00 for \$65,000 in cash. There were no additional common shares issued during 2014. At the year ending December 31, 2014 there were 317,266 common shares issued and outstanding and 874,400 preferred shares issued and outstanding.

**2015:** In 2015, 65,000 of the previously outstanding 874,400 preferred shares were converted into 6,500,000 common shares based on their 100 to 1 conversion rights. Common shares were adjusted by adding 3,306 shares to reconcile to the Transfer Agent's shareholder list.

**2016:** From January 1, 2016 to December 31, 2016 there were no common or preferred shares issued.

**2017:** On February 21, 2017 \$150,000 of debt was converted into common shares at \$0.01 per share for a total of 15,000,000 shares.

On March 8, 2017, the Company signed a subscription agreement for 75,000 preferred shares to be purchased for \$1.00 per preferred share. At December 31, 2017, these shares have not yet been issued.

During the year ended December 31, 2017, 231,800 preferred shares were converted into 23,180,000 common shares.

**As of March 31, 2018, there are 45,000,572 common shares issued and outstanding. Total preferred shares issued and outstanding at March 31, 2018: 577,600.**

**Item 5. Financial Statements**

The financial statements for the quarter ended March 31, 2018, are being filed with OTC Markets, Inc. contemporaneously with this Quarterly Disclosure Statement for the period ended March 31, 2018

**Item 6. Describe the Issuer's Business, Products and Services.**

**A. Description of the Issuer's Business Operations:**

Supernova Energy Inc. is a highly focused, risk-averse oil and gas exploration company with a focused strategy of building a substantial portfolio of oil and gas assets in low risk areas.

Supernova Energy Inc. will exploit projects which can deliver cash flows normally associated with higher risk projects, but without exposure to high risk failure rates. Our Company will target existing production in known oil producing states and apply new exploration technologies to increase production. Supernova Energy Inc. holds working interests in leases located in Kansas and Kentucky. The Company has targeted these states due to the low cost of drilling and exploration as well as their oil friendly state and local governments.

Supernova Energy, Inc. is focused on specializing in well bore completion and re-completion on existing oil and gas production. There are many opportunities in well completion and ownership across the USA. Supernova has an operating license in the state of Kansas where it concentrates on completions, re-completions and workovers through working-interest (WI) partnerships.

Oil leases produce at their maximum rate at the start of their lives, but this production rate eventually declines. To maintain production levels, wells will require secondary recovery efforts to boost production back to former levels. Re-completion often involves stimulation of the reservoir, perforating old or new casing, and completing alternative sections of pay in an oil producing formation. Supernova Energy intends to capitalize on leases that fit the criteria for secondary

recovery.

Asmussen Lease, Butler County - 80 acres - 80% Working Interest:  
The Asmussen Lease was brought back online by the Company in November 2015 and currently produces oil from one well (Asmussen 16-3). The lease also has a recently converted salt water disposal well (Asmussen 16-1). Historically, the Asmussen Lease has been producing from the Arbuckle formation since 1965. As of yearend 2015, it has produced 243,707 barrels of oil. Supernova is the operator of the lease which is equipped with electricity and is currently held by production (HDP).

Completed improvements at Asmussen include a downhole submersible pump upgrade for the producing 16-3 well. The 16-3 well is currently equipped with newer pumping equipment and has available electrical capacity to allow for the upgraded downhole pump. Due to the recently converted salt water disposal well, the Asmussen lease is also capable of handling the increased flow rate.

During the year ended December 31, 2017, \$60,000 was capitalized to Oil and Gas Lease – proved, for upgrades to the Asmussen lease.

In March 2017, Supernova sold its Dannedohm lease for \$40,000

Supernova Energy, Inc. is the operator of and majority working interest owner in a total of 6 oil and gas leases, 4 of which are currently producing. In total, the oil and gas leases cover over 1,140 acres in the state of Kansas. Supernova also holds a minority working interest in one lease in Kentucky

There are several other currently shut-in and temporarily abandoned (TA'D) wells on the Company's Pratt County leases that are being considered for reworking. Supernova believes many of its Pratt County wells are also candidates for secondary recovery (gas injection and water-flooding).

### ***Market for oil and gas production***

The market for oil and gas production is regulated by both the state and federal governments. The overall market is mature and except for gas, all producers in a producing region will receive the same price. The major oil companies will purchase all crude oil offered for sale at posted field prices. There are price adjustments for quality differences from the Benchmark. Benchmark is Saudi Arabian light crude oil employed as the standard on which OPEC price changes have been based. Quality variances from Benchmark crude results in lower prices being paid for the variant oil. Oil sales are normally contracted with a purchaser or gatherer as it is known in the industry who will pick up the oil at the well site. In some instances, there may be deductions for transportation from the well head to the sales point. Now, most of crude oil purchasers do not charge transportation fees unless the well is outside

their service area.

The service area is a geographical area in which the purchaser of crude oil will not charge a fee for picking upon the oil. The purchaser or oil gatherer as it is called within the oil industry will usually handle all check disbursements to both the working interest and royalty owners. We will be a working interest owner. By being a working interest owner, we are responsible for the payment of our proportionate share of the operating expenses of the well.

Royalty owners and overriding royalty owners receive a percentage of gross oil production for the lease and are not obligated in any manner whatsoever to pay for the costs of operating the lease. Therefore, we, in most instances, will be paying the expenses for the oil and gas revenues paid to the royalty and overriding royalty interests.

Gas sales are by contract. The gas purchaser will pay the well operator 100% of the sales proceeds on or about the 25th of each month for the previous month's sales. The operator is responsible for all checks and distributions to the working interest and royalty owners.

There is no standard price for gas. Price will fluctuate with the seasons and the general market conditions. It is our intention to utilize this market whenever possible to maximize revenues. We do not anticipate any significant change in the manner production is purchased; however, no assurance can be given now that such changes will not occur.

**A. Date and State (or jurisdiction) of Incorporation:**

Reference is made to Item 1, above (Nevada on June 22, 2009)

**B. The Issuer's Primary and Secondary SIC Codes:**

1311 - Crude Petroleum & Natural Gas, 1381 - Drilling Oil & Gas Wells

**C. The Issuer's Fiscal Year End Date:**

The Issuer's fiscal year end is December 31.

**D. Principal products or services, and their markets;**

Reference is made to Item 6A, above.

**Item 7. Describe the Issuer's Facilities**

At present, the arrangement for the Company Office is on a month by month rental agreement with an executive suites company in Rockville Centre, NY. We believe that this arrangement is adequate and suitable for our current needs. However, when expansion of our business demands increased office space, there are considerable office facilities available in the Rockville Centre area in which we are presently located.

**(1) The business address is:** 265 Sunrise Hwy, Suite 1-276 Rockville Centre,  
New York 11570

## Item 8. Officers, Directors and Control Persons

- A. Officers and Directors and Control Persons. Provide the full names, business addresses, employment histories (for the past 5 years), positions held, responsibilities and employment dates, board memberships, other affiliations, compensation and number of securities (specify each class) beneficially owned by each person as of September 30, 2018

Kevin Malone, President, Secretary, Treasurer & Director, 52, has been serving as a consultant to the Company since March 2014. Mr. Malone has served on the board of directors of US Highland Inc. (OTC Bulletin Board UHLN) since February 2013 and resigned from that position in June 2017.

Prior to joining US Highland (resigned June 2017) Mr. Malone worked in the financial service industry since 1985. From March 2009 through October 2012, Mr. Malone served as head trader for R.F. Lafferty & Company, Inc. From January 2006 until March 2009, Mr. Malone worked in the same capacity at Westminster Securities Corporation. From December 2002 through January 2006, Mr. Malone worked for Aegis Capital Corporation.

Mr. Nicholas Upchurch, Director, 37 years old, is a fifth-generation oil and gas professional whose career started in 1998 with Twin Lakes Drilling, Company. With over 18 years of experience in leasing, drilling, operating, completions, and geological analysis, Mr. Upchurch has been involved in the acquisition of over 100,000 acres across the central United States.

Mr. Upchurch owned and operated Lucky Production from 2004 to 2010. He continued his oil and gas work with Olim Energy, LLC in 2011, before becoming owner and CEO of OMR Drilling in 2012, as owner Nicholas has acquired over 15,000 acres and has drilled, operated, and/or produced over 100 wells in Appalachian Basin for investors, both in the United States and international.

### Executive Officers

Name	Position	Other Affiliations	Common Shares	Percentage of Common issued	Preferred Shares	Percentage of Preferred issued
Kevin Malone	President, Secretary-treasurer & Director	None	-0-	-0-%	-0-	-0-%
Nicholas Upchurch	Director	None	-0-	-0-%	-0-	-0-%

**Control Person (shareholders holding more than 10% of any class)**

Refer to: **C. Beneficial Shareholders.**

(1) The business address is: 265 Sunrise Hwy, Suite 1-276 Rockville Centre, New York 11570

**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 of the foregoing persons have been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

**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 a person's involvement in any type of business, securities, commodities, or banking activities;**

None of the foregoing persons have been the subject of any order, judgment, or decree, that permanently or temporarily enjoined, barred, suspended or otherwise limited such a person's involvement in any type of business, securities, commodities, or banking activities.

**3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;**

None of the foregoing persons have been specifically identified as the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law.

**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 of the foregoing persons have been the subject of any 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.

**C. Beneficial Shareholders.**

**To the extent not otherwise disclosed in response to the foregoing, provide a list of the names, addresses and shareholdings of all persons holding more than ten percent (10%) of any class of the issuer's equity securities.**

				Common	% of	Preferred	%
	Name	Address	Address	Shares	Common	Shares	Pref.
1.)	I-Quest Inc.	701 N Green Valley Pkwy #2240	Henderson, NV 89015	-14,875-	0.0%	475,000	82.2%
2.)	Celtic Lyon Ltd.	Main Street	Nevis	-475-	0.0%	95,000	16.4%
3.)	International IR Inc	153 W Lake Meade Pkwy #2240	Henderson NV 89074	-6,840,342-	15.2%	0	0%

If any of the beneficial shareholders are corporate shareholders, provide the name and address of person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

	Name	Beneficial Owner	Address	Resident Agent	Address
1.)	I-Quest Inc.	Fortunato Villamaena	10805 Bernini Dr. Las Vegas, NV 89141	Fortunato Villamaena	10805 Bernini Dr. Las Vegas, NV
2.)	Celtic Lyon Ltd	Not available	Not available	Not available	Not available
3.)	International IR Inc	Not available	Not available	Not available	Not available

Note: Due to their Foreign domiciling; 2.) 3), and the Company has been unable to obtain the Beneficial Owner/Controlling Person with address and name of Resident Agent.

**Item 9. Please provide the name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:**

**Legal Counsel:**

Bauer & Pike, LLC  
1310 Kansas Avenue  
Great Bend, KS 67530  
Phone: (620) 793-7239  
Fax: (620) 793-7289  
Email: bp@bauerpikelaw.com

Law Office of Douglas Spence  
4000 MacArthur Blvd.  
Suite 600 East Tower  
Newport Beach, CA 92660  
Phone: (657) 204-9039  
Email: doug@spencelawgroup.com

Magri Law LLC  
2642 NE 9<sup>th</sup> Ave.  
Ft. Lauderdale, FL 33334  
Office: (646) 502-5900  
Mobile: (954) 303-8027  
Fax: (646) 836-9200  
[pmagri@magrilaw.com](mailto:pmagri@magrilaw.com)  
[www.magrilaw.com](http://www.magrilaw.com)

**Accountant or Auditor:**

None

**Investor Relations Consultant:**

None

**Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation.**

None

**Item 10. Issuer Certification**

I, Kevin Malone, CEO and Director of Supernova Energy, Inc., hereby certify that:

1. I have reviewed the Quarterly Disclosure Statement of Supernova Energy, Inc., dated March 31, 2018.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, considering the circumstances under which such statements 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, present in all material respects the financial condition, results of operations and cash flows of the Issuer as, and for, the periods presented in this Quarterly Disclosure Statement.

Date: May 15, 2018 /s/ Kevin Malone  
Kevin Malone, President, CEO & Director

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