

Condensed Interim Consolidated Financial Statements
(Unaudited)

ARSENAL ENERGY INC.

For the three and six months ended June 30, 2015 and 2014

Arsenal Energy Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

		June 30, 2015	December 31, 2014
	(thousands of \$Cdn)		
Assets			
Current assets:			
Cash	\$	5,171	\$ 2,573
Accounts receivable		7,223	10,553
Inventory		473	570
Risk management contracts (note 8)		122	11,946
Prepaid expenses and deposits		771	649
		13,760	26,291
Reclamation deposit		187	174
Exploration and evaluation assets (note 3)		3,139	3,639
Property, plant and equipment (note 4)		209,687	206,320
	\$	226,773	\$ 236,424
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$	12,931	\$ 16,700
Bank loan (note 5)		12,000	-
Current tax payable		300	522
Current portion of decommissioning obligations (note 6)		750	750
Incentive compensation liability		292	1,571
Risk management contracts (note 8)		376	57
		26,649	19,600
Bank loan (note 5)		44,000	60,000
Flow-through share premium		950	1,628
Risk management contracts (note 8)		401	139
Decommissioning obligations (note 6)		45,102	43,979
Deferred taxes		20,746	20,386
		137,848	145,732
Shareholders' Equity:			
Common shares (note 7)		151,951	151,434
Contributed surplus		11,358	11,388
Accumulated other comprehensive income		5,717	3,182
Deficit		(80,101)	(75,312)
		88,925	90,692
	\$	226,773	\$ 236,424
Subsequent event (note 7)			
Segmented information (note 11)			

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

Arsenal Energy Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of \$Cdn, except per share amounts)	2015	2014	2015	2014
Revenue				
Oil and natural gas	\$ 16,305	\$ 30,902	\$ 30,171	\$ 58,508
Royalties	(3,116)	(6,851)	(6,685)	(12,272)
Net revenue	13,189	24,051	23,486	46,236
Realized gain (loss) on risk management contracts	(62)	(2,250)	13,066	(3,794)
Unrealized gain (loss) on risk management contracts	(209)	50	(12,405)	(1,391)
Net revenue after risk management	12,918	21,851	24,147	41,051
Expenses				
Operating and transportation	5,075	8,159	11,072	16,033
General and administrative	1,148	1,149	2,249	2,136
Exploration and evaluation expenses	877	1,276	2,543	1,920
Interest and other financing charges	523	703	1,059	1,366
Depletion and depreciation	6,866	7,407	14,308	14,169
Accretion (note 6)	284	461	574	767
Share-based compensation (recovery)	202	816	(786)	1,736
Foreign exchange loss (gain)	525	1,013	(2,695)	(129)
Loss on sale of property	1,449	-	1,449	-
	16,949	20,984	29,773	37,998
Income (loss) before income tax	(4,031)	867	(5,626)	3,053
Provision for income taxes				
Current	84	336	137	507
Deferred	(686)	907	(1,868)	1,894
	(602)	1,243	(1,731)	2,401
Net income (loss)	\$ (3,429)	\$ (376)	\$ (3,895)	\$ 652
Other comprehensive income (loss)				
Translation gain (loss) on foreign operations	(489)	(998)	2,535	(50)
Comprehensive income (loss)	\$ (3,918)	\$ (1,374)	\$ (1,360)	\$ 602
Net income (loss) per share (note 7)				
Basic and diluted	\$ (0.19)	\$ (0.02)	\$ (0.22)	\$ 0.04

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

Arsenal Energy Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

<i>(thousands)</i>	Number of Shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' equity
Balance December 31, 2013	16,080	\$137,705	\$10,940	\$802	\$(96,575)	\$52,872
Net income for the period	-	-	-	-	652	652
Dividends	-	-	-	-	(2,010)	(2,010)
Issued on exercise of options	15	83	-	-	-	83
Share-based compensation expensed	-	-	45	-	-	45
Repurchase of shares	(21)	(177)	36	-	-	(141)
Translation loss on foreign operations	-	-	-	(50)	-	(50)
Balance June 30, 2014	16,074	\$137,611	\$11,021	\$752	\$(97,933)	\$51,451

<i>(thousands)</i>	Number of Shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' equity
Balance December 31, 2014	17,877	\$151,434	\$11,388	\$3,182	\$(75,312)	\$90,692
Net loss for the period	-	-	-	-	(3,895)	(3,895)
Dividends	32	119	-	-	(894)	(775)
Issued on vesting of share awards	60	398	(398)	-	-	-
Share-based compensation expensed	-	-	368	-	-	368
Translation gain on foreign operations	-	-	-	2,535	-	2,535
Balance June 30, 2015	17,969	\$151,951	\$11,358	\$5,717	\$(80,101)	\$88,925

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

ARSENAL ENERGY INC.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

(thousands of \$Cdn)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Operating Activities:				
Net income (loss) for the period	\$ (3,429)	\$ (376)	\$ (3,895)	\$ 652
Items not affecting cash:				
Unrealized (gain) loss on risk management contracts	209	(50)	12,405	1,391
Depletion and depreciation	6,866	7,407	14,308	14,169
Accretion of decommissioning obligations (note 6)	284	461	574	767
Deferred tax expense (recovery)	(686)	907	(1,868)	1,894
Share-based compensation	77	816	(911)	1,736
Unrealized foreign exchange loss (gain)	512	1,169	(2,686)	134
Loss on sale of property and equipment	1,449	-	1,449	-
Decommissioning obligations settled (note 6)	(84)	(367)	(171)	(601)
Net change in non-cash working capital (note 10)	(2,793)	(3,348)	309	(5,894)
Net cash from operating activities	2,405	6,619	19,514	14,248
Financing Activities:				
Bank loan	2,449	4,105	(4,000)	6,001
Dividends paid	(310)	(1,045)	(775)	(2,010)
Issue of shares on exercise of stock options	-	22	-	42
Purchase of put options	-	(330)	-	(330)
Repurchase of shares	-	(141)	-	(141)
Net change in non-cash working capital items (note 10)	-	-	(134)	-
Net cash from (to) financing activities	2,139	2,611	(4,909)	3,562
Investing Activities:				
Property, plant and equipment	(6,035)	(17,228)	(12,706)	(29,141)
Exploration and evaluation asset expenditures	-	(223)	-	(499)
Acquisition of properties	-	-	-	(152)
Proceeds on disposition of properties	1,677	-	1,677	-
Net change in non-cash working capital items (note 10)	863	7,157	(1,113)	12,822
Net cash to investing activities	(3,495)	(10,294)	(12,142)	(16,970)
Foreign exchange gain (loss) on cash held in foreign currency	(45)	(39)	135	56
Change in cash during the period	1,004	(1,103)	2,598	896
Cash, beginning of period	4,167	3,218	2,573	1,219
Cash, end of period	\$ 5,171	\$ 2,115	\$ 5,171	\$ 2,115
The following are included in cash flow from operating activities:				
Interest paid in cash	\$ 531	\$ 642	\$ 1,036	\$ 1,272
Income taxes paid in cash	\$ -	\$ 303	\$ 405	\$ 818

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

ARSENAL ENERGY INC.

June 30, 2015

Notes to condensed interim consolidated financial statements (*Unaudited*) (*Tabular amounts in thousands except per share amounts*)

1. Reporting entity:

Arsenal Energy Inc. ("Arsenal" or the "Company") is an oil and gas exploration, development and production Company based in Calgary, Alberta, Canada. The Company conducts its operations in the Western Canadian Sedimentary basin in Canada and the Williston basin in the United States. The condensed interim consolidated financial statements of the Company as at June 30, 2015 comprise the Company and its wholly owned subsidiaries, Arsenal Energy U.S.A. Inc. and Arsenal Energy Holdings Ltd.; which were incorporated in the USA and Canada respectively. Arsenal's principle place of business is located at Suite 1900, 639 – 5th Avenue SW, Calgary Alberta, Canada, T2P 0M9.

2. Basis of preparation:

(a) Statement of compliance:

These condensed interim consolidated financial statements have been prepared by management in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and were prepared using accounting policies consistent with IFRS. These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements and notes for the year ended December 31, 2014 and should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2014. In the opinion of management, these condensed interim consolidated financial statements contain all adjustments necessary to present fairly Arsenal's financial position as at June 30, 2015 and the results of its operations and its net cash from operating activities for the three and six months then ended.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 4, 2015.

(b) Basis of measurement:

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments and short term incentive compensation liability which are measured at fair value.

(c) Functional and presentation currency:

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent company's functional currency. Arsenal's subsidiary Arsenal Energy U.S.A. Inc. has a U.S. dollar functional currency.

3. Exploration and evaluation assets:

Cost or deemed cost		Total
Balance at December 31, 2013	\$	10,259
Additions		487
Impairment		(5,199)
Transfer to property, plant and equipment		(1,908)
Balance at December 31, 2014	\$	3,639
Divestitures		(500)
Balance at June 30, 2015	\$	3,139

During the quarter the Company disposed of certain non-core exploratory assets for proceeds of \$500,000.

ARSENAL ENERGY INC.

June 30, 2015

4. Property, plant and equipment:

Cost or deemed cost		Total
Balance at December 31, 2013	\$	255,778
Additions		52,187
Capitalized general and administration		860
Acquisitions		152
Transfer from exploration and evaluation assets		1,908
Divestitures		(259)
Decommissioning obligations acquired and incurred		646
Change in decommissioning obligations		7,601
Foreign currency translation		10,520
Balance at December 31, 2014	\$	329,393
Additions		12,381
Capitalized general and administration		325
Divestitures		(4,625)
Decommissioning obligations incurred		550
Change in decommissioning obligations		34
Foreign currency translation		10,697
Balance at June 30, 2015	\$	348,755
Accumulated depletion and depreciation		Total
Balance at December 31, 2013	\$	89,116
Depletion and depreciation expense		31,003
Divestitures		(100)
Foreign currency translation		3,054
Balance at December 31, 2014	\$	123,073
Depletion and depreciation expense		14,240
Divestitures		(1,608)
Foreign currency translation		3,363
Balance at June 30, 2015	\$	139,068
NBV		Total
Balance, at December 31, 2014	\$	206,320
Balance, at June 30, 2015	\$	209,687

During the quarter the Company sold certain non-core properties for proceeds of \$1.2 million. A loss on disposal of \$1.4 million was recorded on this transaction.

5. Bank loan:

The Company's credit facility was reviewed in May 2015 based on the Company's yearend engineering report prepared by an independent petroleum engineer. Based on the reserves as determined in the engineering report and applying the price deck as provided by the syndicate, the new borrowing base was revised to \$55.0 million. A semi-annual review of the borrowing base is to be completed on or before November 30, 2015. The credit facility included a \$45.0 million Extendable Syndicated Credit Facility, a \$10.0 million Extendable Operating Credit Facility and a \$15.0 million Supplemental Credit Facility.

ARSENAL ENERGY INC.

June 30, 2015

The Supplemental Credit Facility was available by way of a single advance on the effective date, of which \$12.0 million was drawn and is outstanding at June 30, 2015. The Supplemental Credit Facility is required to be repaid by May 31, 2016 and bears a margin of 2% higher than the Extendable Syndicated Credit Facility. Proceeds from any common share equity issues (not including proceeds from the sale of flow-through shares) and from the sale of properties are required to be applied to reduce the Supplemental Facility. This portion of the bank loan has been classified as current.

At June 30, 2015, bank debt under the Extendable Syndicated Credit Facility amounted to \$44.0 million (December 31, 2014 – \$60.0 million). There were no US dollar denominated borrowings. For the Extendable Credit Facility, Bankers' Acceptances ("BA") and LIBOR loans bear interest at the BA or LIBOR rate plus a margin ranging from 2.0% to 4.5% per annum. The Extendable operating facility bears interest at the agent's prime interest rate plus an applicable margin ranging from 1.0% to 3.5% per annum. A standby fee ranging from 0.50% to 1.125% per annum is charged on the unutilized portion of the facility.

The credit facility is secured by an unlimited liability guarantee to the lenders, an ISDA Master Agreement, a demand debenture in the amount of \$300 million granting a first priority security interest over all present and after acquired personal property and a first floating charge over all present and after acquired petroleum and natural gas interests and mortgages creating specific fixed charges on some of the oil and gas properties of the Company in North Dakota.

The Company's credit facility has a financial covenant that, without the written consent of the lenders, would result in a breach of the agreement. The Company cannot permit the adjusted working capital ratio, including the unutilized portion of the facility and excluding the value of any risk management contracts, to fall to below 1:1. At June 30, 2015, the Company was in compliance with this and all other non-financial covenants as required by the agreement.

The credit facility is subject to a semi-annual borrowing base review or redetermination in the event of a material adverse effect. The next scheduled review is November 30, 2015.

6. Decommissioning obligations:

	Six months ended June 30, 2015	Year ended December 31, 2014
Beginning of period	\$ 44,729	\$ 36,321
Obligations settled	(171)	(1,987)
Obligations disposed	(391)	(36)
Obligations incurred	550	646
Change in estimates	34	7,601
Foreign currency translation	527	431
Accretion expense	574	1,753
End of period	\$ 45,852	\$ 44,729
Expected to be incurred within one year	\$ 750	\$ 750
Expected to be incurred beyond one year	\$ 45,102	\$ 43,979

ARSENAL ENERGY INC.

June 30, 2015

7. Share capital:

At June 30, 2015, the Company was authorized to issue an unlimited number of common shares with the holders of common shares being entitled to one vote per share.

(a) Issued

	Six months ended June 30, 2015		Year ended December 31, 2014	
	Number of Shares	Share capital	Number of Shares	Share Capital
Balance, beginning of period	17,877	\$151,434	16,080	\$137,705
Issue of shares, net of costs	-	-	1,712	12,843
Issued on vesting of share awards	60	398	-	-
Issued on exercise of options	-	-	101	877
Issued on share dividend	32	119	42	358
Repurchase of shares	-	-	(41)	(349)
Cancelled on expiration of exchange provision	-	-	(17)	-
Balance, end of period	17,969	\$151,951	17,877	\$151,434

Subsequent to period end, on July 14, 2015 the Company closed a private placement bought deal of 778,460 common shares at \$3.15 per share and 585,700 flow-through common shares at \$3.70 per share for total gross proceeds of \$4.6 million. The terms of the flow-through shares require the Company to renounce to investors by December 31, 2015 Canadian Exploration Expenses in the amount of \$2.2 million and to incur such expenditures by December 31, 2016.

Dividends

During the six months ended June 30, 2015, the Company declared quarterly dividends totaling \$0.05 per share. As at June 30, 2015, there were no dividends payable to shareholders (December 31, 2014 - \$ nil).

At the Company's Board of Directors meeting on August 4, 2015, the Directors declared a quarterly dividend of \$0.02 per common share to shareholders of record on August 14, 2015 to be paid on August 28, 2015.

(b) Share based payments

Share award incentive plan

The Company grants restricted and performance share awards to directors, officers and employees that vest as to one-third on each of the first, second and third anniversary dates of the grant. On June 19, 2015 the first vesting of the share incentive awards occurred. The payout multiplier for the Performance Awards was calculated at 1.5 based on the Company's ranking in the 2nd quartile based on overall shareholder return versus a peer group. On June 18, 2015 issued additional Restricted and Performance Share Awards.

Changes in the share awards are summarized in the table on the following page:

ARSENAL ENERGY INC.

June 30, 2015

Share awards	Number of Restricted Awards	Number of Performance Awards	Total Share Awards
Balance at December 31, 2013	-	-	-
Granted	127	115	242
Balance at December 31, 2014	127	115	242
Granted	124	117	241
Adjustment for dividends	4	3	7
Adjustment for performance factor	-	19	19
Vested and converted to common shares	(25)	(35)	(60)
Vested and paid in cash	(16)	(21)	(37)
Cancelled or forfeited	(11)	(6)	(17)
Balance at June 30, 2015	203	192	395

Share option plan

The Company discontinued grants under the share option plan in 2014. The remaining share options outstanding are summarized in the following table:

Share options	Number of Options	Weighted average exercise price
Balance at December 31, 2013	1,268	\$ 6.41
Exercised	(101)	5.76
Cash settled	(148)	5.48
Cancelled, expired or forfeited	(5)	5.89
Balance at December 31, 2014	1,014	\$ 6.61
Cancelled, expired or forfeited	(350)	8.39
Balance at June 30, 2015	664	\$ 5.67
Exercisable at June 30, 2015	573	\$ 5.92

(c) Loss per share

The following table shows the weighted average number of common and diluted shares.

	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Weighted average shares outstanding:				
Basic	17,907	16,085	17,896	16,088
Diluted	17,907	16,085	17,896	16,257

In computing diluted income per share for the six months ended June 30, 2015, 1,059,000 (2014- 479,000) share options and share awards were excluded from the dilution calculations as they were anti-dilutive.

ARSENAL ENERGY INC.

June 30, 2015

8. Risk management and financial instruments:

The Company had the following risk management contracts in place as at June 30, 2015.

Interest rate risk

Subject of Contract	Remaining Term	National Quantity	Reference	Strike Price	Option Traded	Fair Value
30 day BA rate	July 1, 2015- – February 13, 2018	\$30,000,000	CAD- – BA- – CDOR	1.80%	Swap	\$ (655)

Commodity price risk

(\$Cdn. unless otherwise noted)

Commodity Sold	Volume Sold	Remaining Term	Pricing	Fair Value
Oil	300 bbl per day	July 1, 2015 – September 30, 2015	\$63.00 USD per bbl	\$ 107
Oil	500 bbl per day	October 1, 2015 – December 31, 2015	\$60.80 USD per bbl	(3)
Oil	300 bbl per day	January 1, 2016 – March 31, 2016	\$57.90 USD per bbl	(122)
Oil	300 bbl per day	April 1, 2016 – June 30, 2016	\$78.20 CAD per bbl	18
				\$ -
Total fair value of interest rate and commodity risk management contracts				\$ (655)

9. Capital management:

The Company considers its capital structure to include working capital, the credit facility and shareholders' equity. The Company manages its capital base primarily on its net debt to annualized funds from operations ratio and its net debt to equity ratio. The Company continually monitors, through its annual budgeting and quarterly forecasting process, the risk reward profile of its exploration and development projects, its production profile and the economic indicators in the market including commodity prices, interest rates and foreign exchange rates. It then determines increases or decreases to its capital budget and what, if any, additional initiatives may need to be implemented.

Net debt as at June 30,	2015	2014
Working capital deficiency ¹	\$ (635)	\$ (9,315)
Bank loan	(56,000)	(75,101)
Net debt ⁵	(56,635)	(84,416)
Annualized funds from operations ^{2,3,4}	24,636	46,438
Net debt to annualized funds from operations ratio ⁶	2.30	1.82
Shareholders' equity	\$ 88,925	\$ 51,451
Net debt to equity	0.64	1.64

¹ Excludes the value of risk management contracts and the current portion of the bank loan.

² Excludes exploration and evaluation expenses.

³ Based on the last quarter's funds from operations annualized.

⁴ Management uses funds from operations before changes in non-cash working capital, funds from operations per common share and annualized funds from operations to analyze operating performance and leverage. Funds from operations as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable to the calculation of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow provided by operating activities, net earnings or loss or other measures of financial performance calculated in accordance with IFRS.

⁵ Net debt is used by Management to analyze leverage. Net debt does not have any standardized meaning prescribed by IFRS and therefore these terms may not be comparable with the calculation of similar measures for other entities.

⁶ Net debt to annualized funds from operations ratio is not comparable with the calculation of the Corporations ratios of twelve months trailing earnings before interest, taxes and depletions and depreciation to consolidated debt.

ARSENAL ENERGY INC.

June 30, 2015

10. Supplemental cash flow information:

	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Change in non-cash working capital items:				
Accounts receivable	\$ (2,124)	\$ (2,137)	\$ 1,857	\$ (1,746)
Prepaid expenses and deposits	294	(434)	460	(591)
Inventory	(43)	6	50	(116)
Accounts payable and accrued liabilities	(57)	6,374	(3,305)	9,381
	(1,930)	3,809	(938)	6,928
Amounts related to operating activities	(2,793)	(3,348)	309	(5,894)
Amounts related to financing activities	-	-	(134)	-
Amounts related to investing activities	863	7,157	(1,113)	12,822
	\$ (1,930)	\$ 3,809	\$ (938)	\$ 6,928

11. Segmented information:

A portion of the Company's assets and revenues are earned in the United States and Canada, and are monitored as an identifiable reporting segment by management. Business risks and economic indicators are similar across both geographical regions.

Three months ended June 30, 2015 (000's Cdn. \$)	Canada	U.S.	Total
Oil and gas revenue	9,572	6,733	16,305
Operating income ¹	4,166	3,948	8,114
Funds from operations ²	3,816	2,343	6,159
Loss before income taxes	(2,927)	(1,104)	(4,031)
Net income (loss)	(2,738)	(691)	(3,429)
Exploration and evaluation assets, as at	3,139	-	3,139
Property, plant and equipment, as at	104,647	105,040	209,687
Property, plant and equipment expenditures	1,383	4,652	6,035
Property acquisitions (dispositions)	(1,177)	-	(1,177)
Exploration and evaluation dispositions	(500)	-	(500)

Three months ended June 30, 2014 (000's Cdn. \$)	Canada	U.S.	Total
Oil and gas revenue	17,927	12,975	30,902
Operating income ¹	7,944	7,948	15,892
Funds from operations ²	6,665	4,945	11,610
Income (loss) before income taxes	(11,673)	2,440	(9,233)
Net income (loss)	(1,572)	1,196	(376)
Exploration and evaluation assets, as at	10,142	-	10,142
Property, plant and equipment, as at	95,808	87,812	183,620
Property, plant and equipment expenditures	4,528	12,700	17,228
Exploration and evaluation expenditures	223	-	223

¹ Defined as oil and gas revenues less royalties, operating costs and transportation. Operating income does not have any standardized meaning prescribed by IFRS and therefore this term may not be comparable with the calculation of for other entities.

² Defined as net cash from operating activities before the net change in non-cash operating working capital, decommissioning obligations settled, exploration and evaluation expenses and transaction costs. Funds from operations does not have any standardized meaning prescribed by IFRS and therefore this terms may not be comparable with the calculation for other entities.

ARSENAL ENERGY INC.

June 30, 2015

Six months ended June 30, 2015 (000's Cdn. \$)	Canada	U.S.	Total
Oil and gas revenue	17,015	13,156	30,171
Operating income ¹	4,983	7,431	12,414
Funds from operations ²	17,523	4,396	21,919
Loss before income taxes	(2,897)	(2,729)	(5,626)
Net income (loss)	(2,219)	(1,676)	(3,895)
Exploration and evaluation assets, as at	3,139	-	3,139
Property, plant and equipment, as at	104,647	105,040	209,687
Property, plant and equipment expenditures	5,153	7,553	12,706
Property acquisitions (dispositions)	(1,177)	-	(1,177)
Exploration and evaluation dispositions	(500)	-	(500)

Six months ended June 30, 2014 (000's Cdn. \$)	Canada	U.S.	Total
Oil and gas revenue	33,958	24,550	58,508
Operating income ¹	14,912	15,291	30,203
Funds from operations ²	12,802	9,861	22,663
Income (loss) before income taxes	(1,175)	4,228	3,053
Net income (loss)	(1,136)	1,788	652
Exploration and evaluation assets, as at	10,142	-	10,142
Property, plant and equipment, as at	95,808	87,812	183,620
Property, plant and equipment expenditures	8,072	21,069	29,141
Property acquisitions (dispositions)	152	-	152
Exploration and evaluation expenditures	499	-	499

1 Defined as oil and gas revenues less royalties, operating costs and transportation. Operating income does not have any standardized meaning prescribed by IFRS and therefore this term may not be comparable with the calculation of for other entities.

2 Defined as net cash from operating activities before the net change in non-cash operating working capital, decommissioning obligations settled, exploration and evaluation expenses and transaction costs. Funds from operations does not have any standardized meaning prescribed by IFRS and therefore this terms may not be comparable with the calculation for other entities.