**BIG CAT ENERGY CORPORATION**
**BALANCE SHEET**

**ASSETS**

| | (UNAUDITED) 31-Jul 2015 | (UNAUDITED) 30-Apr 2015 |
|---|---|---|
| **Current Assets**: | | |
| Cash and cash equivalents | $617 | $569 |
| Inventory | 9,359 | 9,359 |
| Total current assets | 9,976 | 9,928 |
| **Property, Plant and Equipment,** at cost: | | |
| Furniture and equipment, net of accumulated depreciation | 4,162 | 4,162 |
| Total | 4,162 | 4,162 |
| **Intangible Assets-net** | 103,946 | 103,946 |
| **Total Assets** | $118,084 | $118,036 |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | | |
|---|---|---|
| **Current Liabilities:** | | |
| Accounts payable and accrued liabilities | $514,502 | $501,377 |
| Notes payable | 5,000 | -- |
| Deferred salary | 128,250 | 128,250 |
| Total Current Liabilities | 647,752 | 629,627 |
| **Stockholders' Equity:**: | | |
| Common stock, $.0001 par value, 100,000,000 shares authorized, 67,590,403 shares issued and outstanding | 6,759 | 6,759 |
| Additional paid-in capital | 12,508,825 | 12,508,825 |
| Deficit accumulated during development stage | (13,045,252) | (13,027,175) |
| Total stockholders' equity | (529,668) | (511,591) |
| **Total Liabilities and Stockholders' Equity** | $118,084 | $118,036 |

**BIG CAT ENERGY CORPORATION**
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDING JULY 31, 2015
(UNAUDITED)

| | |
|---|---|
| **Revenues** | |
| Sales | $0 |
| Other | 0 |
| | 0 |
| **Cost of Goods Sold** | 0 |
| **Gross Profit** | 0 |
| **Expenses:** | |
| Personnel cost | 12,000 |
| Professional fees | 1,500 |
| Filing fees | 3,391 |
| Other general and administrative | 1,186 |
| | 18,077 |
| **Operating Loss** | (18,077) |
| **Other Income (Expense):** | |
| Loss on securites sales | 0 |
| **Net (Loss)** | ($18,077) |
| NET (LOSS) PER COMMON SHARE | ($0.00) |
| Weighted shares outstanding | 52,994,455 |

BIG CAT ENERGY CORPORATION
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 31, 2015
(UNAUDITED)

| | |
|---|---|
| **Cash Flows From Operating Activities:** | |
| Net Loss | ($18,077) |
| Adjustments to reconcile net loss to | |
| net cash used by operating activities: | |
| Changes in operating assets and liabilities: | |
| Available for sale | 0 |
| Payables | 13,125 |
| Net cash used in operating activities | (4,952) |
| **Cash Flows From Investing Activities:** | |
| Net cash used in investing activities | 0 |
| **Cash Flows From Financing Activities:** | |
| Net cash provided by financing activities | 5,000 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 48 |
| **Cash and Equivalents,** at beginnning of period | 569 |
| **Cash and Equivalents,** at end of period | $617 |

**BIG CAT ENERGY CORPORATION**
**Notes to Condensed Financial Statements**
**(Unaudited)**

## Note 1: Presentation, Organization and Nature of Operations

*Presentation*

The accompanying unaudited financial statements of Big Cat Energy Corporation (the "Company") at July 31, 2015 have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial statements. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make the Company's financial statements not misleading have been included. The results of operations for the period ended July 31, 2015 presented are not necessarily indicative of the results to be expected for the full year. The April 30, 2015 balance sheet has been derived from the Company's Annual Report for the year ended April 30, 2015.

*Description of Operations*

Big Cat Energy Corporation ("Big Cat" or the "Company"), a Nevada corporation, owns the exclusive right to a patented technology known as Aquifer Recharge Injection Device ("ARID") which allows Coal Bed Methane ("CBM") operators to re-inject water produced from productive coal seams. The Company has been in the development stage since inception and has yet to generate any significant revenue-producing operations. Activities since its inception have primarily involved its organization, development of the Company and more recently, its ARID initiative.

## Note 2: Liquidity

*Going Concern*

As of July 31, 2015, the Company had a working capital deficit of $637,776 and stockholders' deficit of $529,668. The Company has realized minimal revenues and has incurred significant losses from operations and used significant cash flow to fund operations for the periods presented in this Quarterly Report. Historically, Big Cat has relied upon outside investor funds to maintain its operations and develop its business. Big Cat's plan for continuation anticipates continued funding from investors and receipt of approved proposals. This funding would be used for operations, for working capital, as well as business expansion during the upcoming fiscal year. The Company can provide no assurance that additional investor funds will be available on terms acceptable to the Company. These conditions raise substantial doubt about Big Cat's ability to continue operations as a going concern.

Big Cat's ability to continue as a going concern is dependent upon raising capital through debt or equity financing and ultimately by increasing revenue and achieving profitable operations. The Company can offer no assurance that it will be successful in its efforts to raise additional proceeds or achieve profitable operations. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

## Note 3: SUMMARY OF ACCOUNTING POLICIES:

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

*Cash and Cash Equivalents* – Cash and cash equivalents include cash on hand, amounts held in banks and highly liquid investments purchased with an original maturity of three months or less.

*Advertising*-The Company expenses advertising costs as they are incurred.

*Intangible Assets* – The Company capitalized the costs to patent the ARID process and ARID trademark. These costs are being amortized over the life, twenty (20) years, of the patents on a straight line basis. The intangibles serve as collateral for the accrued deferred salaries. The Company expects to record amortization expense for subsequent periods as follows:

| | |
|---|---|
| FY 2015 | $6,720 |
| FY 2016 | $6,720 |
| FY 2017 | $6,720 |
| FY 2018 | $6,720 |
| FY 2019 | $6,720 |
| Thereafter | $74,566 |

The Company accounts for intangibles in accordance with ASC 350, Intangible-Goodwill and Other. The Company evaluates intangibles, at a minimum, on a annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Impairment of intangibles is tested by comparing the carrying amount to the fair value. The fair values are estimated using discounted projected cash flows. If the carrying amount exceeds its fair value, intangibles are considered impaired and a second step is performed to measure the amount of impairment loss, if any. The Company evaluates the impairment of intangibles as of the end of each fiscal year or whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. These circumstances include:

- a significant decrease in the market value of an asset;
- a significant adverse change in the extent or manner in which an asset is used; or
- an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset.

The Company did not recognize an impairment expense related to intangible assets during the period ended July 31, 2015.

*Concentrations of Credit Risk* – The Company's cash equivalents are exposed to concentrations of credit risk. The Company manages and controls this risk by investing the cash equivalents and short term investments with major financial institutions.

*Furniture and Equipment* – Furniture and equipment is stated at cost. Depreciation is provided on furniture, fixtures and equipment using the straight-line method over an estimated service life of three to seven years.

The cost of normal maintenance and repairs is charged to operating expenses as incurred. Material expenditures which increase the life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset.

*Concentration of Customer Base* - The Company had no customer activity in the three months ended July 31, 2015

*Income Taxes* – Income taxes are accounted for by recognizing deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax basis of assets, liabilities and carryforwards. Deferred tax assets are recognized for the expected future effects of all deductible temporary differences, loss carryforwards and tax credit carryforwards. Deferred tax assets are then reduced, if deemed necessary, by a valuation allowance for the amount of any tax benefit which, more likely than not, are not expected to be realized.

We adopted ASC 740, *Income Taxes* as of April 1, 2008. This topic provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods. We have identified no significant uncertain tax positions as of July 31, 2015. The cumulative effect of adopting ASC 740 has not resulted in a liability on the balance sheet. The total amount of unrecognized tax benefits as of the date of adoption was zero.

We recognize interest and penalties related to uncertain tax positions in income tax expense. No interest and penalties related to uncertain tax positions were accrued as of July 31, 2015.

*Fair Value of Financial Instruments* – The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The fair market value of these financial instruments approximates or is equal to the book value due to the short term nature of these balances.

*Fair Value Measurements -* are determined by the Company's adoption of ASC 820 *Fair Market Measurement and Disclosures* as of May 1, 2008, including the application of the statement to non-recurring, non-financial assets and liabilities. The adoption of ASC 820 did not have a material impact on the Company's fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal (or most advantageous market) for the asset or liability in an orderly transaction between market participants at the measurement date.

*Stock-Based Compensation* – The Company accounts for stock-based compensation arrangements in accordance with ASC 718, *Compensation-Stock Compensation*, which permits entities to recognize as expense over the vesting period, the fair value of all stock-based awards on the date of grant. The Company recorded no expense for stock-based compensation for the three months ended July 31, 2015

*Research and Development Expenditures* – Costs related to the research, design, and development of products are charged to research and development expenses as incurred. The Company did not incur any research and development costs for the three months ended July 31, 2014.

*Net Loss Per Share* – Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Contingently issuable shares are included in the computation of basic net income (loss) per share when the related conditions are satisfied. Diluted net income per share

is computed using the weighted average number of common shares and potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of contingently issuable shares, the incremental common shares issuable upon conversion of preferred stock or convertible debt (using the "if converted" method) and shares issuable upon the exercise of stock options and warrants (using the "treasury stock" method). Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive.

As of July 31, 2015 the Company had options issued to purchase 610,000 shares and warrants issued to purchase 11,873,033 shares that would be potentially dilutive. The options and warrants outstanding were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive as of those dates.

*Revenue Recognition*-The Company leases its ARID tool and process to its customers. Revenue is recognized equally over the term of lease. When the lease is executed the Company records deferred revenue as an Other Current Liability for those amounts paid for lease commitments for the next 12 months and a Long Term Obligation for those amounts in excess of 12 months. At July 31, 2015 the Company has recorded $0 as Other Current Liabilities for deferred revenue.

The Company sells ARID tools and revenue is recognized on the tool sales when the ARID tools have been delivered to the customer.

*Reclassifications* – Certain reclassifications have been made to prior years' amounts to conform to the classifications used in the current year. Such reclassifications had no effect on the Company's net loss in any of the periods presented.

*Warranty accrual –* ASC 450 requires companies to accrue for warranty exposure based on reasonable estimates of the amount incurred based on historical data, the Company has accrued no costs for warranty resolution as of July 31, 2015 and April 30, 2014.

*Recent Pronouncements*

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial condition or the results of our operations.

**Note 4: Fair Value Measurements:**

ASC 820 establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1- Quoted prices in active markets for identical assets or liabilities.
Level 2- Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
Level 3- Unobservable inputs based on the Company's assumptions,

ASC 820 requires the use of observable market data if such data is available without undue cost and effect.

| | Fair Value Measurements at Reporting Date Using | | | |
|---|---|---|---|---|
| Description | July 31, 2015 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Securities available for sale | $0 | $0 | $0 | $0 |
| Total | $0 | $0 | $0 | $0 |

**Note 5: Marketable Securities:**

The Company did not have any Marketable Securities at July 31, 2015.

**Note 6: Shareholders' Equity**

*Private Offerings*

During the three months ended July 31, 2015, there were no stock transactions by the Company. During the three months ended July 31, 2015. the Company borrowed $5,000 from a private party to become current with its registered agent and the state of Nevada.

**Note 7: Stock Option Plan**

The Company has adopted the 2007 Nonqualified Stock Option Plan (the "Plan"), as amended. The Company has reserved 5,000,000 shares of common stock for the plan. During Fiscal 2009 the Board of Directors granted options to purchase 1,665,000 shares to directors, officers and key employees and consultants of the Company, effective December 31, 2008. The exercise price of the options was $0.12, the closing price of Company shares on December 31, 2008. The options granted on December 31, 2008 became exercisable on December 31, 2009 and expire on December 31, 2014. During Fiscal 2010 the Board of Directors granted options to purchase 410,000 shares to outside directors and key employees of the Company, effective January 4, 2010. The exercise price of the options was $0.15, the closing price of Company shares on January 4, 2010. The options granted on January 4, 2010 became exercisable on January 4, 2011 and expire on January 4, 2015.

As of October 31, 2012, the outstanding options are fully vested, however, the agreement only allows for a certain number of options to be exercised each year through January 4, 2015. Due to the limitations on exercising the options, and the fact that they would expire if the employee resigns or is terminated for cause, the Company has treated the options as if they vest over a two-year period.

**Note 8: Income Tax**

The Federal net operating loss ("NOL") carryforward of the Company totaling approximately $5,717,000 as of July 31, 2015 expires on various dates through 2035. Internal Revenue Code Section 382 places a limitation on the amount of taxable income which can be offset by NOL carryforwards after a change in control (generally a greater than 50% change in ownership) of a loss corporation. Generally, after a change in control, a loss corporation cannot deduct NOL carryforwards in excess of the Section 382 limitation. Due to these "change in ownership" provisions, utilization of NOL carryforwards may be subject to an annual limitation regarding their utilization against taxable income in future periods. We have not performed a Section 382 analysis. However, if performed, Section 382 may be found to limit potential future utilization of our NOL carryforwards. We have established a full

valuation allowance against the deferred tax assets because, based on the weight of available evidence including our continued operating losses, it is more likely than not that all of the deferred tax assets will not be realized. Because of the full valuation allowance, no income tax expense or benefit is reflected on the statement of operations.

**Note 9: Related Party Transactions**

There were no related party transaction for the three months ended July 31, 2015

**Note 10: Subsequent Events**

Management has evaluated all activity of the Company and concluded no subsequent events have occurred that would require disclosure.