CANACOL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
THREE AND SIX MONTHS ENDED DECEMBER 31, 2014

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(in thousands of United States dollars)

As at	Note	December 31, 2014	June 30, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 124,696	$ 163,729
Restricted cash	6	5,802	7,379
Trade and other receivables		33,982	60,981
Prepaid expenses and deposits		10,741	12,405
Investments	7	2,500	5,254
Crude oil inventory		2,050	1,936
		179,771	251,684
Non-current assets			
Restricted cash	6	68,969	59,448
Exploration and evaluation assets	4	181,754	133,510
Property, plant and equipment	5	313,187	301,398
Investment in joint venture	17	11,851	8,046
Investments	7	2,416	2,501
		578,177	504,903
Total assets		$ 757,948	756,587
LIABILITIES AND EQUITY			
Current liabilities			
Bank debt	8	$ 58,667	44,000
Trade and other payables		83,682	75,814
Crude oil payable in kind	15	1,616	-
Commodity contracts	15	-	38
Warrants	15	130	2,121
Convertible debentures	9	21,887	-
Restricted share units	15	317	202
Equity tax payable		-	582
Taxes payable		15,332	15,969
		181,631	138,726
Non-current liabilities			
Bank debt	8	185,913	166,688
Deferred income		3,731	3,731
Decommissioning obligations		12,656	10,518
Restricted share units	15	300	202
Warrants	15	56	2,210
Phantom warrants	15	-	7,557
Convertible debentures	9	-	25,395
Other long term obligations		219	219
Deferred tax liabilities		1,118	1,054
Total liabilities		385,624	356,300
Equity			
Share capital	10	551,590	551,049
Other reserves		52,198	48,842
Accumulated other comprehensive loss		347	347
Deficit		(231,811)	(199,951)
Total equity		372,324	400,287
Total liabilities and equity		$ 757,948	756,587

Commitments and contingencies (note 16)

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands of United States dollars, except per share amounts)

	Note	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Revenues					
Petroleum and natural gas revenues, net of royalties	13	$ 36,404	$ 42,168	$ 95,321	$ 90,390
Share of joint venture profit	17	1,479	1,023	3,806	1,193
Expenses					
Production and transportation expenses		17,009	14,790	37,841	32,551
Pre-license and exploration costs		4,310	213	4,400	240
General and administrative		7,756	8,980	13,654	14,391
Stock-based compensation and restricted share units	10	2,057	519	3,325	750
Depletion and depreciation	5	16,818	7,530	36,311	14,828
Foreign exchange (gain) loss and other		(2,076)	(577)	409	1,230
(Gain) loss on derivatives and financial instruments	13	(4,455)	16,939	(9,585)	26,656
Change in provision		(1,865)	-	(1,865)	-
Impairment on property, plant and equipment	5	27,396	-	27,396	-
Loss on disposition of assets	4,5	7,944	-	7,944	-
		74,894	48,394	119,830	90,646
Net finance expense	11	5,482	2,206	8,870	4,149
Loss before income taxes		(42,493)	(7,409)	(29,573)	(3,212)
Income taxes (recovery)					
Current		(1,403)	5,548	2,223	7,170
Deferred		4,880	(2,545)	64	(2,951)
		3,477	3,003	2,287	4,219
Net loss and comprehensive loss		(45,970)	(10,412)	(31,860)	(7,431)
Earnings loss per share					
Basic	12	$ (0.43)	$ (0.12)	$ (0.30)	$ (0.09)
Diluted	12	$ (0.43)	$ (0.12)	$ (0.30)	$ (0.09)

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

(in thousands of United States dollars, number of shares in thousands)

	Number of Common Shares		Share Capital		Other Reserves		Accumulated Other Comprehensive Income		Deficit		Total Equity
Balance as at June 30, 2013	86,506	$	408,770	$	40,074	$	347	$	(209,888)	$	239,303
Stock options exercised	182		799		(310)		-		-		489
Stock-based compensation	-		-		1,409		-		-		1,409
Net loss for the period	-		-		-		-		(7,431)		(7,431)
Balance at December 31, 2013	**86,688**		**409,569**		**41,173**		**347**		**(217,319)**		**233,770**
Balance as at June 30, 2014	107,736	$	551,049	$	48,842	$	347	$	(199,951)	$	400,287
Stock options and warrants exercised	78		541		11		-		-		552
Stock-based compensation	-		-		3,345		-		-		3,345
Net loss for the period	-		-		-		-		(31,860)		(31,860)
Balance at December 31, 2014	**107,814**		**551,590**		**52,198**		**347**		**(231,811)**		**372,324**

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands of United States dollars)

	Note	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Operating activities					
Net loss for the period		$ **(45,970)**	$ (10,412)	$ **(31,860)**	$ (7,431)
Adjustments:					
Net financing expense	11	**5,482**	2,206	**8,870**	4,149
Share of joint venture profit	17	**(1,479)**	(1,023)	**(3,806)**	(1,193)
Stock-based compensation and restricted share units		**2,057**	519	**3,325**	750
Depletion and depreciation	5	**16,818**	7,530	**36,311**	14,828
(Gain) loss on derivatives and financial instruments	13	**(4,267)**	16,738	**(9,397)**	25,606
Unrealized foreign exchange (gain) loss and other		**(746)**	(1,233)	**2,636**	221
Settlement of restricted share units liability	15	**(38)**	-	**(38)**	(1,321)
Deferred income tax		**4,880**	(2,545)	**64**	(2,951)
Exploration costs	4	**3,954**	-	**3,954**	-
Impairment on property, plant and equipment	5	**27,396**	-	**27,396**	-
Loss on disposition of assets	4,5	**7,944**	-	**7,944**	-
Changes in non-cash working capital	13	**15,712**	24,626	**31,962**	23,472
		31,743	36,406	**77,361**	56,130
Investing activities					
Expenditures on exploration and evaluation assets		**(66,806)**	(4,077)	**(93,347)**	(11,113)
Expenditures on property, plant and equipment		**(28,402)**	(18,046)	**(48,822)**	(27,678)
Investments		**-**	(2,546)	**207**	(2,840)
Change in restricted cash		**28,947**	(14,033)	**(7,944)**	(15,936)
Proceeds on dispositions and farm-outs	4	**11,225**	-	**11,225**	-
Changes in non-cash working capital	13	**(13,404)**	(1,467)	**30**	8,038
		(68,440)	(40,169)	**(138,651)**	(49,529)
Financing activities					
Net financing expense paid		**(4,007)**	(1,579)	**(6,151)**	(2,905)
Settlement of phantom warrants liability	15	**(3,500)**	-	**(3,500)**	-
Issue of common shares	10	**-**	187	**434**	482
Draw on bank debt, net of transaction costs	8	**46,141**	-	**46,141**	-
Repayment of bank debt	8	**(14,667)**	-	**(14,667)**	-
		23,967	(1,392)	**22,257**	(2,423)
Change in cash and cash equivalents		**(12,730)**	(5,155)	**(39,033)**	4,178
Cash and cash equivalents, beginning of period		**137,426**	61,623	**163,729**	52,290
Cash and cash equivalents, end of period		$ **124,696**	$ 56,468	$ **124,696**	$ 56,468

See accompanying notes to interim condensed consolidated financial statements.

NOTE 1 - GENERAL INFORMATION

Canacol Energy Ltd. and its subsidiaries ("Canacol" or the "Corporation") are primarily engaged in petroleum and natural gas exploration and development activities in Colombia and Ecuador, with non-core activities in Brazil and Peru. The Corporation's head office is located at 4500, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1, Canada. The Corporation's shares are traded on the Toronto Stock Exchange under the symbol CNE, the OTCQX in the United States of America under the symbol CNNEF, and the Bolsa de Valores de Colombia under the symbol CNEC.

The Board of Directors approved these interim condensed consolidated financial statements (the "financial statements") for issuance on February 10, 2015.

NOTE 2 - BASIS OF PREPARATION

The financial statements have been prepared by management in accordance with International Accounting Standard 34, "Interim Financial Reporting". These financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Corporation's annual consolidated financial statements for the year ended June 30, 2014.

Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for commodity contracts, convertible debentures, embedded derivatives, investments, warrants, phantom warrants and restricted share units, which are measured at fair value with changes in fair value recorded in profit or loss ("fair value through profit or loss").

These financial statements have been prepared on a going concern basis.

Functional and Presentation Currency

These financial statements are presented in United States dollars, which is both the functional and presentation currency.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The Corporation has made the following clarifications to its accounting policies:

Principles of Consolidation

Subsidiaries – Subsidiaries are entities controlled by the Corporation. Control exists when the Corporation is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

Derivative financial instruments

Convertible debentures – Convertible debentures are recorded at fair value through profit or loss due to the inability to fair value the embedded derivative separately. Subsequent to initial recognition, these financial instruments are measured at fair value and changes therein are recognized in the consolidated statements of operations.

Property, Plant and Equipment and Exploration and Evaluation Assets

Exploration and evaluation ("E&E") assets – E&E costs, including the costs of acquiring licenses, farming into or acquiring rights to working interest and directly attributable general and administrative costs, initially are capitalized either as tangible or intangible E&E assets according to the nature of the assets acquired. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

Application of New and Revised International Financial Reporting Standards ("IFRS")

IFRIC 21 – "Levies"

The International Accounting Standards Board released the new standard IFRIC 21 "Levies" which the Corporation has adopted in the current quarter. The interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. The adoption of IFRIC 21 did not have a significant impact on the financial statements.

Recent Accounting Pronouncements

The following are new IFRS pronouncements that have been issued, although not yet effective and have not been early adopted, and may have an impact on the Corporation in the future as discussed below.

(i) IAS 1 Amendment

On July 1, 2016, the Corporation will be required to adopt amendments to IAS 1 which involve applying professional judgment in determining what information to disclose in the financial statements. Furthermore, the amendments state that professional judgment should be used in determining where and in what order information is presented in the financial disclosures.

(ii) Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

On July 1, 2016, the Corporation will be required to adopt amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

(iii) Revenue from Contracts with Customers

On July 1, 2017, the Corporation will be required to adopt IFRS 15, "Revenue from Contracts with Customers". IFRS 15 was issued in May 2014 and will replace IAS 11, "Construction Contracts," IAS 18, "Revenue Recognition," IFRIC 13, "Customer Loyalty Programmes," IFRIC 15, "Agreements for the Construction of Real Estate," IFRIC 18, "Transfers of Assets from Customers," and SIC-31, "Revenue – Barter Transactions Involving Advertising Services." IFRS 15 provides a single, principle-based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17 and financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments," IFRS 10, "Consolidated Financial Statements" and IFRS 11, "Joint Arrangements." In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities.

(iv) Financial Instruments

On July 1, 2018 , the Corporation will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

Portions of the standard remain in development and the full impact of the standard on the financial statements will not be known until the project is complete.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

(v) IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

On July 1, 2016, the Corporation will be required to adopt the clarified definition of "Acceptable method of Depreciation and Amorization" to exclude a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset.

(vi) IFRS 11 " Joint Arrangements"

On July 1, 2016, the Corporation will be required to adopt the amendment to IFRS 11 "Joint Arrangements" for accounting for acquisitions of interest in joint operations. The amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11 and disclose the information required by IFRS 3 and other IFRSs for business combinations.

The Corporation is in the process of assessing the impact of the above newly issued IFRS pronouncements.

NOTE 4 – EXPLORATION AND EVALUATON ASSETS

Balance at June 30, 2013	$	92,753
Additions		27,108
Property acquisitions		15,000
Transferred to D&P assets (note 5)		(965)
Transferred to exploration expense		(386)
Balance at June 30, 2014		133,510
Property acquisitions		37,609
Additions		56,782
Dispositions and farm-out agreements		(17,492)
Transferred to exploration expense		(2,130)
Transferred to D&P assets (note 5)		(26,525)
Balance at December 31, 2014	**$**	**181,754**

During the three months ended December 31, 2014, the Corporation acquired a right to an additional 20% interest in the COR 4 and COR 12 E&P contracts located in the Upper Magdalena Basin of Colombia for a total cash payment of $5 million. Further, the Corporation also acquired a right to a 100% interest in each of the VIM 5 and VIM 19 E&P contracts located in the Upper Magdalena Basin of Colombia for a total consideration consisting of a cash payment of $29.5 million and a royalty interest of 3% on net revenue generated by the sale of hydrocarbons derived from the drilling of any exploration wells on such blocks.

In connection with the acquisition of VIM 5 and VIM 19 E&P contracts, the Corporation entered into a farm-out agreement with an industry partner for a 25% interest in both the VIM 5 and VIM 19 E&P contracts for total consideration of $10.7 million consisting of a cash payment of $7.5 million and reimbursement for 50% of drilling costs up to $9 million incurred by the Corporation for two exploratory wells under the VIM 5 contract.

During the three months ended December 31, 2014, the Corporation disposed of its right to the Morichito E&P contract for total proceeds of $0.5 million, resulting in a loss on the sale of D&P and E&E assets of $7.9 million.

During the three and six months ended December 31, 2014, the Corporation assessed its exploration blocks for impairment and, as the result of relinquishment or planned relinquishment of certain blocks, all costs and capitalized interests associated with such blocks have been transferred to exploration expense. In addition to the $3.9 million (2013 – $nil) of relinquishment related costs, $0.4 million and $0.5 million (2013 – $0.2 million and $0.2 million) of pre-license costs, respectively were also included in pre-license and exploration costs for the three and six months ended December 31, 2014, respectively.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

		Petroleum and Natural Gas Assets		Corporate and Other Assets		Total
Cost						
Balance at June 30, 2013	$	472,997	$	6,728	$	479,725
Property acquisition		40,000		-		40,000
Additions		69,402		1,655		71,057
Transferred from E&E assets (note 4)		965		-		965
Reclassifications		(321)		321		-
Balance at June 30, 2014		583,043		8,704		591,747
Additions		50,030		687		50,717
Dispositions		(1,691)		-		(1,691)
Derecognition		(221)		(31)		(252)
Transferred from E&E assets (note 4)		26,525		-		26,525
Balance at December 31, 2014	**$**	**657,686**	**$**	**9,360**	**$**	**667,046**
Accumulated depletion and depreciation						
Balance at June 30, 2013	$	(237,316)	$	(4,131)	$	(241,447)
Depletion and depreciation		(38,224)		(516)		(38,740)
Impairment		(10,577)		-		(10,577)
Reclassifications and inventory adjustments		388		27		415
Balance at June 30, 2014		(285,729)		(4,620)		(290,349)
Depletion and depreciation		(36,022)		(289)		(36,311)
Impairment		(27,396)		-		(27,396)
Derecognition and inventory adjustments		166		31		197
Balance at December 31, 2014	**$**	**(348,981)**	**$**	**(4,878)**	**$**	**(353,859)**
Carrying amounts						
At June 30, 2013	$	235,681	$	2,597	$	238,278
At June 30, 2014	$	297,314	$	4,084	$	301,398
At December 31, 2014	**$**	**308,705**	**$**	**4,482**	**$**	**313,187**

During the three and six months ended December 31, 2014, the Corporation disposed of its right to the Morichito E&P contract for total proceeds of $0.5 million, resulting in a loss on the sale of D&P and E&E assets of $7.9 million.

On June 1, 2014, the Corporation acquired an additional 10% working interest in the LLA-23 E&P contract for a total cash payment of $40 million.

At June 30, 2014, a write-down of $10.6 million (2013 – 106.8 million) was recorded based on the estimated recoverable amount of the Rancho Hermoso CGU, representing the value in use using 10% (2013 – 25%) discounted cash flows of reserves as determined by the Corporation's external reserve evaluators and current forecasted prices of crude oil. Such write-down was primarily a result of downward revisions to reserve estimates as at June 30, 2014.

In light of recent weakness in benchmark crude oil prices, impairment tests were carried out at December 31, 2014 using revised forecasted crude oil price estimates. The impairment tests resulted in a write-down, primarily related to the Rancho Hermoso CGU, totaling $27.4 million (2013 – nil) as at December 31, 2014. The Corporation's key producing assets at Esperanza and LLA-23 were unaffected.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Impairment tests carried out at December 31, 2014 were based on value in use calculations, using a pre-tax discount rate of 10% and the following forward commodity price estimates:

Year	WTI Oil (US$/bbl)	Guajira Gas (US$/MMBTU) (Nelson Field)	Guajira Gas (US$/MMBTU) (Non-Nelson Field)
2015	65.00	4.73	4.70
2016	71.40	5.15	4.79
2017	78.03	5.27	4.89
2018	84.90	5.40	4.99
2019	92.01	5.56	5.09
2020	93.85	5.65	5.19
2021	95.72	5.31	5.29
2022	97.64	5.42	5.40
2023	99.59	5.53	5.51
2024	101.58	5.64	5.62
Remainder	+2.0% per year	+2.0% per year	+2.0% per year

NOTE 6 – RESTRICTED CASH

	December 31, 2014	June 30, 2014
Restricted cash – current	$ 5,802	$ 7,379
Restricted cash – non-current	68,969	59,448
	$ 74,771	$ 66,827

At December 31, 2014, restricted cash consisted of $47.4 million of term deposits used as collateral to secure the Ecuador IPC's borrowings (classified as non-current), $8.7 million for work commitments and other capital commitments ($5.8 million classified as current; $2.9 million classified as non-current), and $18.7 million held in a debt reserve account as required under its senior secured term loan (classified as non-current).

NOTE 7 – INVESTMENTS

Balance at June 30, 2013	$ 2,467
Additions	5,821
Unrealized loss	(508)
Foreign exchange loss	(25)
Balance at June 30, 2014	7,755
Net settlement	(207)
Unrealized loss	(2,008)
Foreign exchange loss	(624)
Balance at December 31, 2014	**$ 4,916**

During the year ended June 30, 2014, the Corporation invested $5 million in the securities of a company involved in the exploration and development of oil and gas in Latin America. An officer of the Corporation is also a director of such company. During the six months ended December 31, 2014, the counterparty settled a portion of the securities for $2.5 million while it invested an additional $2.3 million in that company's shares. The remaining $2.5 million invested in securities are due to be settled on June 30, 2015 and as such have been classified as current as at December 31, 2014.

As at December 31, 2014, the investment in shares of $0.3 million and pipeline investment (see note 16) of $2.1 million were classified as non-current since they are not expected to be settled within a year as at December 31, 2014.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

NOTE 8 – BANK DEBT

Balance at June 30, 2013	$	134,316
Draw, net of transaction costs		74,045
Amortization of transaction costs		2,327
Balance at June 30, 2014		210,688
Draw, net of transaction costs		46,141
Repayment		(14,667)
Amortization of transaction costs		2,418
Balance at December 31, 2014	**$**	**244,580**

The Corporation's bank debt as at December 31, 2014 consisted of a Senior Secured Term Loan for a principal amount of $205.3 million ("Term Loan") and Unsecured Senior Notes ("Senior Notes") for a principal amount of $50 million.

The Term Loan is for a five-year term, with interest payable quarterly and principal repayable in 15 equal quarterly instalments starting in October 2014. As at December 31, 2014, there are four quarterly installments due within a year totalling $58.7 million classified as a current liability. The remaining loan balance is classified as non-current.

The Corporation entered into the $100 million unsecured floating rate senior note indenture agreement with Apollo Investment Corporation, with $50 million drawn and funded on October 29, 2014, and a further $50 million committed and available to be drawn at any time within 18 months at the sole discretion of the Corporation, subject only to customary closing conditions. The Senior Notes are repayable in full on their maturity date of December 31, 2019 and carry interest at LIBOR plus 8.5% per annum (subject to a LIBOR floor of 1.00%), payable quarterly. The Senior Notes may be repaid at any time prior to maturity and are subject to customary financial, performance and legal covenants in which are consistent with the covenants under the Loan. Standby fees on the undrawn portion of the Senior Notes are calculated at 1% per annum. As at December 31, 2014, the amount drawn of $50 million has been classified as non-current.

NOTE 9 – CONVERTIBLE DEBENTURES

Balance at June 30, 2013	$	22,091
Unrealized loss		3,699
Foreign exchange gain		(395)
Balance at June 30, 2014		25,395
Unrealized gain		(1,511)
Foreign exchange gain		(1,997)
Balance at December 31, 2014	**$**	**21,887**

Prior to June 30, 2015, the convertible debentures ("Debentures") are redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at the Corporation's option provided that the weighted average trading price of the common shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date on which notice is given ("current market price") is not less than 125% of the conversion price of C$10.526. The Corporation can fulfill its obligation to repay the principal amount of the Debentures, in whole or in part, due at redemption or maturity by delivering that number of common shares obtained by dividing the principal amount of the debentures by 95% of the current market price.

NOTE 10 – SHARE CAPITAL

Authorized

The Corporation is authorized to issue an unlimited number of common shares.

Issued and Outstanding

	Number	Amount
	(000s)	
Balance at June 30, 2013	86,506	$ 408,770
Issued on equity offering	15,823	115,289
Issued on property acquisition	2,454	15,000
Issued on exercise of stock options and warrants	2,953	10,878
Transfer from other reserves for stock options and warrants exercised	-	6,874
Share issuance costs	-	(5,762)
Balance at June 30, 2014	107,736	$ 551,049
Issued on exercise of stock options and warrants	78	434
Transfer from other reserves for stock options and warrants exercised	-	107
Balance at December 31, 2014	**107,814**	**551,590**

Stock Options

The number and weighted-average exercise prices of stock options were as follows:

	Number	Weighted-Average Exercise Price
	(000s)	(C$)
Balance at June 30, 2014	9,689	7.05
Exercised	(3)	3.68
Forfeited and cancelled	(2,288)	7.24
Balance at December 31, 2014	**7,398**	**7.01**

Information with respect to stock options outstanding at December 31, 2014 is presented below.

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number of Stock Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Stock Options	Weighted-Average Exercise Price
(C$)	(000s)	(years)	(C$)	(000s)	(C$)
$1.00 to $3.50	1,595	2.34	3.41	1,176	3.42
$3.60 to $7.00	3,036	2.86	6.01	2,158	5.82
$7.10 to $10.50	2,120	1.38	8.84	2,086	8.84
$10.60 to $14.00	131	1.18	12.10	131	12.10
$14.10 and higher	516	1.07	14.90	516	14.90
	7,398	**2.17**	**6.99**	**6,067**	**7.30**

Stock-based compensation of $1.0 million and $2.3 million (2013 – $0.5 million and $0.8 million) were expensed and $0.5 million and $1.1 million (2013 – $0.3 million and $0.6 million) were capitalized during the three and six months ended December 31, 2014, respectively.

On October 6, 2014, the board of directors approved the cancellation and re-pricing of the 2,211,500 stock options that were granted on May 30, 2014 at a C$7.21 exercise price. The options were re-priced on January 5, 2015 with an exercise price of C$2.21 with an additional 95,000 options granted to new employees. On January 28, 2015, the Corporation granted 1,671,000 stock options to certain directors, officers and employees at an exercise price at C$3.21 per share.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

NOTE 11 – FINANCE INCOME AND EXPENSE

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Finance income				
Interest and other income	**$ (837)**	$ (162)	**$ (1,906)**	$ (857)
Finance expense				
Fair value adjustment on equity tax payable	**-**	14	**5**	33
Accretion on decommissioning obligations	**182**	142	**298**	270
Amortization of upfront fees	**1,294**	471	**2,418**	941
Interest and other expense	**4,843**	1,741	**8,055**	3,762
	6,319	2,368	**10,776**	5,006
Net finance expense	**$ 5,482**	$ 2,206	**$ 8,870**	$ 4,149

NOTE 12 – EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Net loss, basic and diluted	**$ (45,970)**	$ (10,412)	**$ (31,860)**	$ (7,431)
Weighted-average common share adjustments				
Weighted-average common shares outstanding, basic	**107,814**	86,673	**107,814**	86,617
Effect of warrants	**-**	-	**-**	-
Effect of stock options	**-**	-	**-**	-
Weighted-average common shares outstanding, diluted	**107,814**	86,673	**107,814**	86,617

For the three and six months ended December 31, 2014 and 2013, the effect of the convertible debentures was anti-dilutive. For the three and six months ended December 31, 2014 and 2013, all other items were anti-dilutive due to the net loss.

NOTE 13 – SUPPLEMENTAL INFORMATION

The Corporation records petroleum and natural gas sales net of royalties. Royalties incurred were as follows:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Petroleum and natural gas royalties	**$ 4,405**	$ 4,176	**$ 11,071**	$ 8,845

Income taxes and interest paid were as follows:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Income taxes paid	**$ -**	$ -	**$ -**	$ -
Interest paid	**$ 3,941**	$ 2,883	**$ 6,598**	$ 4,866

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Loss (gain) on derivatives and financial instruments:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Embedded derivatives	-	2,302	-	2,714
Crude oil payable in kind – unrealized	$ (1,694)	$ -	$ (1,694)	$ -
Convertible debentures – unrealized	(659)	300	(1,511)	2,595
Warrants – unrealized	(1,456)	7,208	(3,791)	10,085
Warrants – realized	-	(611)	-	(611)
Phantom warrants – unrealized	(2,294)	5,134	(5,703)	7,013
Phantom warrants – realized	2,025	-	2,025	-
Restricted share units – unrealized	(600)	2,394	(693)	3,741
Restricted share units – realized	(6)	-	(6)	618
Share investments – unrealized	411	167	2,008	264
Commodity contracts – unrealized	-	(156)	(38)	(195)
Commodity contracts – realized	(182)	201	(182)	432
	$ (4,455)	$ 16,939	$ (9,585)	$ 26,656

Changes in non-cash working capital are comprised of:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Change in:				
Trade and other receivables	$ 3,254	$ 17,334	$ 26,999	$ 5,125
Prepaid expenses and deposits	256	793	1,664	(476)
Crude oil inventory	(559)	(2,123)	(39)	(1,319)
Trade and other payables	760	4,197	1,732	24,651
Equity tax payable	-	(13)	(587)	(725)
Taxes payable	(1,403)	2,971	2,223	4,254
	2,308	23,159	31,992	31,510
Attributable to:				
Operating activities	15,712	24,626	31,962	23,472
Investing activities	(13,404)	(1,467)	30	8,038
	$ 2,308	$ 23,159	$ 31,992	$ 31,510

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

NOTE 14 – SEGMENTED INFORMATION

The Corporation's only reportable segment is "Colombia". The main purpose of "Other Segments" is to reconcile the reportable segment to the Corporation's combined results. "Other Segments" is not a reportable segment. The Corporation's chief operating decision maker is its executive officers.

The following tables show information regarding the Corporation's segments.

	Colombia (reportable)	Other Segments (non-reportable)	Total
Three months ended December 31, 2014			
Revenues	$ 36,404	$ -	$ 36,404
Share of joint venture profits	-	1,479	1,479
Expenses, excluding income taxes and impairments	(40,066)	(8,960)	(49,026)
Impairment on E&E assets	(3,954)	-	(3,954)
Impairment on D&P assets	(27,396)	-	(27,396)
Net income (loss) before taxes	(35,012)	(7,481)	(42,493)
Income tax expense (recovery)	3,477	-	3,477
Net income (loss)	$ (38,489)	$ (7,481)	$ (45,970)
Capital expenditures, net	$ 78,403	$ -	$ 78,403
Three months ended December 31, 2013			
Revenues	$ 42,168	$ -	$ 42,168
Share of joint venture loss	-	1,023	1,023
Expenses, excluding income taxes	(33,555)	(17,045)	(50,600)
Net income (loss) before taxes	8,613	(16,022)	(7,409)
Income tax expense (recovery)	3,003	-	3,003
Net income (loss)	$ 5,610	$ (16,022)	$ (10,412)
Capital expenditures, net	$ 22,209	$ 540	$ 22,749
Six months ended December 31, 2014			
Revenues	$ 95,321	$ -	$ 95,321
Share of joint venture profits		3,806	3,806
Expenses, excluding income taxes and impairments	(85,436)	(11,914)	(97,350)
Impairment on E&E assets	(3,954)	-	(3,954)
Impairment on D&P assets	(27,396)	-	(27,396)
Net income (loss) before taxes	(21,465)	(8,108)	(29,573)
Income taxes (recovery)	2,287	-	2,287
Net income (loss)	$ (23,752)	$ (8,108)	$ (31,860)
Capital expenditures, net	$ 125,925	$ -	$ 125,925
Six months ended December 31, 2013			
Revenues	$ 90,390	$ -	$ 90,390
Share of joint venture loss	-	1,193	1,193
Expenses, excluding income taxes	(66,346)	(28,449)	(94,795)
Net income (loss) before taxes	24,044	(27,256)	(3,212)
Income taxes (recovery)	4,219	-	4,219
Net income (loss)	$ 19,825	$ (27,256)	$ (7,431)
Capital expenditures, net	$ 39,477	$ 680	$ 40,157

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

		Colombia		Other Segments		Total
		(reportable)		(non-reportable)		
As at December 31, 2014						
Total assets	$	548,628	$	209,320	$	757,948
Total liabilities	$	196,638	$	188,986	$	385,624
As at June 30, 2014						
Total assets	$	529,705	$	226,882	$	756,587
Total liabilities	$	192,923	$	163,377	$	356,300

NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying values and respective fair values of financial assets and liabilities at December 31, 2014 are summarized as follows:

		Carrying Value		Fair Value
Fair value through profit or loss				
Cash and cash equivalents	$	124,696	$	124,696
Restricted cash		74,771		74,771
Convertible debentures		21,887		21,887
Warrants		186		186
Restricted share units		617		617
Investments		4,916		4,916
Crude oil payable in kind		1,616		1,616
Loans and receivables				
Bank debt		244,580		255,333
Trade and other receivables		33,982		33,982
Other liabilities				
Trade and other payables		83,682		83,682
Other long term obligations		219		219
Deferred income		3,731		3,731

The Corporation classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Corporation's financial instruments have been assessed on the fair value hierarchy described above. Cash and cash equivalents, restricted cash, restricted share units, convertible debentures and crude oil payable in kind are classified as Level 1. A portion of the Investments are classified as Level 1 ($2.8 million) and a portion are classified as Level 2 ($2.1 million). The Investment classified as Level 2 is a 0.5% interest in a private company (see note 16) valued based on its estimated market value. Warrants and phantom warrants are classified as Level 3. There has been no reclassification of financial instruments into or out of each fair value hierarchy during the quarter ended December 31, 2014. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The carrying value of the bank debt includes $10.8 million of transaction costs netted against the principal amount as at December 31, 2014 which is amortized over the term of the underlying bank debt using the effective interest method.

Restricted Share Units

	Number (000s)		Amount
Balance at June 30, 2013	1,404	$	3,914
Granted	62		366
Settled	(1,404)		(7,232)
Unrealized loss	-		3,647
Foreign exchange gain	-		(291)
Balance at June 30, 2014	62		404
Granted	235		1,010
Settled	(8)		(38)
Unrealized gain	-		(693)
Foreign exchange gain	-		(66)
Balance at December 31, 2014	**289**		**617**

On October 2, 2014, the Corporation granted 234,781 restricted share units ("RSUs") to certain directors and officers, with a reference price of C$4.80 per share. The RSUs vest as to one-half in six months and one-half in twelve months from the grant date, and will be settled in cash.

Warrants

	Number (000s)		Amount
Balance at June 30, 2013	5,382	$	1,871
Exercised	(1,776)		(5,329)
Expired	(1,114)		(650)
Unrealized loss	-		8,746
Foreign exchange gain	-		(307)
Balance at June 30, 2014	2,492	$	4,331
Exercised	(75)		(99)
Unrealized gain	-		(3,791)
Foreign exchange gain	-		(255)
Balance at December 31, 2014	**2,417**	$	**186**

Information with respect to warrants outstanding at December 31, 2014 is presented below.

Expiry Date	Number of warrants	Exercise price
	(000s)	(C$)
January 26, 2015	495	5.96
February 1, 2015	1,143	5.96
September 2, 2015	515	3.97
February 9, 2016	264	5.20
	2,417	**5.45**

Phantom Warrants

	Number	Amount
	(000s)	
Balance at June 30, 2013	2,697	$ 1,866
Unrealized loss	-	5,827
Foreign exchange gain	-	(136)
Balance at June 30, 2014	2,697	7,557
Settlement	(2,697)	(3,500)
Realized loss	-	2,025
Unrealized gain	-	(5,703)
Foreign exchange gain	-	(379)
Balance at December 31, 2014	**-**	**-**

On October 20, 2014, all 2,697,292 phantom warrant units were settled in cash for $3.5 million. A realized loss on settlement of $2 million was recognized between the fair value of the phantom warrants on the settlement date and the cash settlement paid.

Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates, and interest rates will affect the Corporation's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Corporation's ability to raise capital. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Corporation may attempt to mitigate commodity price risk through the use of financial derivatives. The Corporation's policy is to only enter into commodity contracts considered appropriate to a maximum of 50% of forecasted production volumes.

During the three and six months ended December 31, 2014, the Corporation had one financial oil collar outstanding under the following terms:

Period	Volume	Type	Price Range
Jan 2014 – Dec 2014	500 bbls/day	Financial Brent Oil Collar	$75.00 – $123.50

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Corporation is exposed to foreign currency fluctuations as certain expenditures are denominated in Colombian pesos and Canadian dollars, and to a lesser extent, Brazilian reais and Peruvian sol.

The Corporation had no forward exchange rate contracts in place as at or during the three and six months ended December 31, 2014.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation is exposed to interest rate risk on certain variable interest rate debt instruments, to the extent they are drawn. The remainder of the Corporation's financial assets and liabilities are not exposed to interest rate risk. The Corporation had no interest rate swap or financial contracts in place as at or during the three and six months ended December 31, 2014.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Corporation's business objectives. The Corporation prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Petroleum and natural gas production is monitored daily to provide current cash flow estimates and the Corporation utilizes authorizations for expenditures on projects to manage capital expenditures.

The following table outlines the contractual maturities of the Corporation's financial liabilities at December 31, 2014:

	Less than 1 year	1-2 years	Thereafter	Total
Bank debt – principal	$ 58,667	58,667	137,999	$ 255,333
Trade and other payables	83,682	-	-	83,682
Crude oil payable in kind	1,616	-	-	1,616
Taxes payable	15,332	-	-	15,332
Deferred income	-	3,731	-	3,731
Other long term obligations	-	-	219	219
Convertible debentures – principal	21,997	-	-	21,997
Warrants	130	56	-	186
Restricted share units	317	300	-	617
	$ 181,741	$ 62,754	$ 138,218	$ 382,713

In addition to the above, the Corporation has issued letters of credit totalling $27 million to guarantee certain obligations under its exploration contracts and to guarantee other contractual commitments. Such amounts only become payable should the Corporation not meet those obligations.

Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Corporation's trade receivable balances relate to petroleum and natural gas sales. The Corporation's policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. To date, the Corporation has not experienced any material credit losses in the collection of its trade receivables. In Colombia, a significant portion of crude oil sales are with customers that are directly or indirectly controlled by the government. The Corporation has also entered into sales agreements with certain Colombian private sector companies.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

The Corporation's trade receivables primarily relate to sales of petroleum and natural gas, which are normally collected within 45 days of the month of production. The Corporation has historically not experienced any collection issues with its customers.

Capital Management

The Corporation's policy is to maintain a strong capital base in order to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Corporation manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Corporation considers its capital structure to include share capital, convertible debentures, bank debt and working capital, defined as current assets less current liabilities, excluding non-cash items such as the current portion of commodity contracts, warrants and convertible debentures. In order to maintain or adjust the capital structure, from time to time the Corporation may issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels.

The Corporation monitors leverage and adjusts its capital structure based on the ratio of net debt to adjusted funds from operations. This ratio is calculated as net debt, defined as the principal amount of its outstanding bank debt plus the principal amount of its convertible debentures, unless the debentures are in-the-money or may otherwise be settled in common shares at the option of the Corporation, less working capital, as defined above and less the current portion of bank debt, convertible debentures and warrants included above, divided by adjusted funds from operations. The Corporation uses the ratio of net debt to adjusted funds from operations as a key indicator of the Corporation's leverage and to monitor the strength of its financial position.

In order to facilitate the management of this ratio, the Corporation prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast crude oil prices, changes in capital structure, execution of the Corporation's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

Due to the weakness in crude oil prices over recent months and the resulting impact on cash flow, the Corporation's net debt leverage ratio has increased. As a result, the Corporation took immediate steps to reduce capital spending and preserve liquidity which, at December 31, 2014, had left the Corporation with $124.7 million in cash and cash equivalents and $74.8 million in restricted cash. Further, the Corporation has available an additional $50 million in committed debt facilities that it can draw down at any time up to April 2016 at the sole discretion of the Corporation, subject only to customary closing conditions. While crude oil prices are expected to remain weak for the remainder of 2015, the higher than normal leverage ratio is considered temporary since new gas deliveries for an additional 65 MMcfpd of firm contracted volumes at an average price of $6.60/MMbtu are expected to commence on December 1, 2015, thereby materially increasing revenues and funds from operations by the end of calendar 2015 and significantly reducing the net debt leverage ratio. In the meantime, the Corporation will maintain a prudent capital spending program and will focus on cost reductions to maximize profitability of the existing producing assets.

		December 31, 2014
Bank debt (current and long-term) – principal	$	255,333
Working capital surplus, excluding the current portion of bank debt and derivatives		(78,824)
Net debt	$	176,509
Annualized current quarter adjusted funds from operations (1)	$	91,808
Trailing 12 months adjusted funds from operations (1)	$	117,270
Net debt to current quarter annualized adjusted funds from operations		1.9
Net debt to trailing 12 months adjusted funds from operations		1.5

(1) Non IFRS measure – inclusive of amounts related to the Ecuador IPC. Calculated as adjusted funds from operations for the three months ended December 31, 2014, annualized.

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Presented below are the Corporation's contractual commitments at December 31, 2014:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	$ 16,553	$ 48,183	$ -	$ 64,736
Office leases	943	1,617	3,141	5,701

Ecuador Incremental Production Contract

In addition to the commitments described above, the Corporation has a non-operated 25% equity participation interest (27.9% capital participation interest) in a joint-venture consortium which in 2012 was awarded an incremental production contract for the Libertador and Atacapi mature oil fields in Ecuador. The consortium plans to incur project expenditures estimated for a total of $397 million ($107.6 million net to the Corporation) over the 15 year term of the contract. As at December 31, 2014, the Corporation had incurred $73.1 million of expenditures in connection with its Ecuador IPC commitment.

Oleoducto Bicentenario de Colombia ("OBC") Pipeline

The Corporation owns a 0.5% interest in OBC, which owns a pipeline system that will link Llanos basin oil production to the Cano Limon oil pipeline system. Under the terms of the OBC agreement, the Corporation may be required to provide financial support or guarantees for its proportionate equity interest in any future debt financings undertaken by OBC. The Corporation has also entered into ship-or-pay arrangements with OBC to guarantee pipeline revenue.

Contingencies

In the normal course of operations, the Corporation has disputes with industry participants for which it currently cannot determine the ultimate results. The Corporation has a policy to record contingent liabilities as they become determinable and the probability of loss is more likely than not.

NOTE 17 – INVESTMENT IN JOINT VENTURE AND JOINT OPERATIONS

Joint venture

The Corporation conducts its operations in Ecuador through a 25% equity interest (27.9% capital participation interest) in the Ecuador IPC, which is reported in these financial statements using the equity method of accounting. Prior to the adoption of IFRS 11, the Ecuador IPC was accounted for using the proportionate consolidation method of accounting. Details of the Ecuador IPC's net assets and net income are shown below along with the Corporation's share of the investment and profit.

As at	December 31, 2014	June 30, 2014
Ecuador IPC cash and cash equivalents (gross)	**$ 13,585**	$ 48,445
Ecuador IPC bank debt (gross)	**168,265**	168,223
Total Ecuador IPC current assets (gross)	**$ 51,362**	$ 87,209
Total Ecuador IPC non-current assets (gross)	**206,145**	163,046
Total Ecuador IPC current liabilities (gross)	**55,312**	63,124
Total Ecuador IPC non-current liabilities (gross)	**168,393**	168,483
Ecuador IPC equity (gross)	**33,802**	18,648
Investment in joint venture	**$ 11,851**	$ 8,046

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Joint venture revenue (gross)	**$ 29,896**	$ 19,730	**$ 63,650**	$ 36,404
Joint venture depletion and depreciation (gross)	**13,404**	4,015	**27,017**	11,185
Joint venture interest expense (gross)	**2,260**	1,559	**4,518**	2,803
Joint venture income tax expense (gross)	**1,676**	1,567	**4,077**	1,567

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Joint venture net income and comprehensive income	**$ 5,915**	$ 4,093	**$ 15,222**	$ 4,775
Corporation's share of joint venture profit	**$ 1,479**	$ 1,023	**$ 3,806**	$ 1,193

Joint operations

The Corporation has the following significant joint operations:

Joint operation(1)	**Principal place of business**	**Working interest**
LLA-23	Colombia	90%
Santa Isabel	Colombia	30% (deep); 100% (shallow)
VMM-2	Colombia	20% (deep); 40% (shallow)
Ombu/Capella	Colombia	10%
VIM-19	Colombia	75%
VIM-5	Colombia	75%
COR-11	Colombia	70%
COR-39	Colombia	70%
Coati	Colombia	20%
Achapo	Colombia	70%
Portofino	Colombia	40%
Los Picachos	Colombia	37.5%
Macaya	Colombia	37.5%
Serrania	Colombia	37.5%

(1) The above table does not include properties, such as COR 4, COR 12, Esperanza and Rancho Hermoso in which the Corporation owns a 100% working interest, as well as the back-in rights to VMM-3, since they are not considered joint operations.