Unaudited Interim Condensed Consolidated Financial Statements of

ENHANCED OIL RESOURCES INC.

Six months ended June 30, 2015 and 2014

ENHANCED OIL RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditor has not performed a review of these unaudited interim consolidated condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

August 27, 2015

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Balance Sheets (Unaudited)
(all amounts expressed in thousands of US dollars)

	As of June 30, 2015	As of December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 1,607	$ 4,079
Receivables	605	503
Other current assets	247	419
	2,459	5,001
Non-current assets		
Exploration and evaluation assets, net	10,717	10,889
Property and equipment, net	29,596	37,090
Restricted cash	5,502	5,502
Other	98	106
Total Assets	$ 48,372	$ 58,588
Liabilities And Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 484	$ 951
Derivative financial instruments	76	39
Asset retirement obligations	394	638
	954	1,628
Asset retirement obligations	18,085	24,972
Shareholders' equity		
Equity instruments	124,166	124,166
Contributed surplus	9,364	9,364
Treasury stock, at cost	(108)	(108)
Deficit	(104,089)	(101,434)
	29,333	31,988
Total Liabilities and Shareholders' Equity	$ 48,372	$ 58,588

See accompanying notes to unaudited interim condensed consolidated financial statements.

Approved by the Board of Directors:

/s/ Al Denson
Al Denson
Director

/s/ Andrew Hromyk
Andrew Hromyk
Director

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(all amounts expressed in thousands of US dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues				
Oil and gas gross sales	$ 394	$ 2,510	$ 661	$ 4,876
Less: Royalties	(85)	(516)	(139)	(1,004)
	309	1,994	522	3,872
Expenses				
Production costs and taxes	306	745	532	1,388
Workover expenses	156	548	257	3,292
Field expenses	160	313	364	678
General and administrative	666	638	1,342	1,706
Loss on disposition of assets	110	57	94	1,085
Depreciation, depletion, and amortization	107	440	261	859
Financing costs and other, net	118	157	245	320
Loss on derivative financial instruments, net	24	365	89	365
Foreign currency translation (gain) loss	(3)	(3)	(7)	1
	1,644	3,260	3,177	9,694
Loss before income taxes	(1,335)	(1,266)	(2,655)	(5,822)
Income tax provision	-	-	-	-
Net comprehensive loss for the period	(1,335)	(1,266)	(2,655)	(5,822)
Loss per share - basic and diluted	$ (0.08)	$ (0.08)	$ (0.17)	$ (0.36)

See accompanying notes to unaudited interim condensed consolidated financial statements.

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Shareholders' Equity (Unaudited)
(all amounts, except common shares, expressed in thousands of US dollars)

	Number of Common Shares June 30,		June 30,	
	2015	2014	2015	2014
Total Shareholders' Equity, beginning balances			$ 31,988	$ 38,427
Equity Instruments (Common Shares)				
Balance, January 1	16,018,586	16,018,586	124,166	124,166
Balance, June 30	16,018,586	16,018,586	124,166	124,166
Contributed Surplus				
Balance, January 1			9,364	9,364
Fair value of stock option grants			-	-
Balance, June 30			9,364	9,364
Deficit				
Balance, January 1			(101,434)	(94,995)
Net loss			(2,655)	(5,822)
Balance, June 30			(104,089)	(100,817)
Treasury Stock, at Cost				
Balance, January 1			(108)	(108)
Balance, June 30			(108)	(108)
Total Shareholders' Equity			$ 29,333	$ 32,605

See accompanying notes to unaudited interim condensed consolidated financial statements.

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Cash Flows (Unaudited)
(all amounts expressed in thousands of US dollars)

	Six Months Ended June 30,	
	2015	2014
Cash provided by (used in):		
Operating activities		
Net loss for the year	$ (2,655)	$ (5,822)
Add (deduct) noncash and other items:		
Depreciation, depletion, and amortization	261	859
Accretion of asset retirement costs	246	315
Loss on disposition of assets	94	1,085
Unrealized loss on derivative financial instruments	37	308
Foreign currency translation (gain) loss	(7)	1
Non-cash other (income) expense	(24)	-
	(2,048)	(3,254)
Asset retirement expenditures	-	(158)
Changes in non-cash working capital	(389)	2,766
Cash used in operations	(2,437)	(646)
Investing activities		
Capital expenditures	(80)	(833)
Decreases in restricted cash, net	-	26
Proceeds from sale of assets	-	385
Non-cash changes from investing activities	45	-
Cash (used in) provided by investing activities	(35)	(422)
Financing activities	-	-
Cash (used in) provided by financing activities	-	-
Change in cash and cash equivalents	(2,472)	(1,068)
Cash and cash equivalents, beginning of the period	4,079	1,249
Cash and cash equivalents, end of period	$ 1,607	$ 181

See accompanying notes to unaudited interim condensed consolidated financial statements.

1. Reporting Entity and Description of Business

Enhanced Oil Resources Inc. is a Company incorporated in British Columbia, Canada and is engaged, through its wholly owned U.S. subsidiaries (collectively referred to as the "Company"), in the acquisition, development, operation and exploitation of crude oil and gas properties, including enhanced oil recovery projects, in the Permian Basin in eastern New Mexico. Common shares of the Company are listed on the TSX Venture Exchange ("TSXV") under the symbol "EOR" and quoted on the OTCQX ("Over the Counter" qualified stock exchange) under the symbol "EORIF". The registered address of the office is 940, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

2. Basis of Presentation and Significant Accounting Policies

Functional Currency – These unaudited interim condensed consolidated financial statements are presented in United States dollars, unless otherwise indicated. All references to $ are to United States dollars and references to C$ are to Canadian dollars.

Reclassifications – Certain reclassifications have been made to the June 30, 2015 unaudited interim condensed consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or accumulated deficit.

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim condensed financial statements, including IAS 34, Interim Financial Reporting. The Company has consistently applied the same accounting policies as those set out in the audited consolidated financial statements for the year ended December 31, 2014, which is available on the Company's website at www.enhancedoilres.com. Certain disclosures included in the notes to the annual consolidated financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied in these unaudited interim consolidated financial statements are based on IFRS issued and outstanding as of August 27, 2015, the date the Company's Board of Directors approved the statements.

The accompanying unaudited interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year, and, accordingly, actual results may differ from these estimates.

3. Restricted Cash

Restricted cash is comprised of escrowed amounts or certificates of deposit at banks which are pledged either to secure contractual obligations of the Company or to secure plugging and abandonment obligations for properties operated by the Company's subsidiaries.

The following table summarizes the restricted cash balances of the Company:

	June 30, 2015	December 31, 2014
Escrow deposit for St. Johns Dome contingent obligations	$ 2,500	$ 2,500
Bank deposits pledged to secure statuatory plugging & abandonment bonds	3,002	3,002
Balance, end of year	$ 5,502	$ 5,502
Short -term	$ -	$ -
Long-term	$ 5,502	$ 5,502

4. Receivables

The Company's receivables were comprised of amounts due from crude oil purchasers of $0.1 million and $0.1 million at June 30, 2015 and December 31, 2014, respectively, and other receivables of $0.5 million and $0.4 million for the same periods, respectively, which had been outstanding for less than 30 days and more than 90 days. Management does not consider any of the receivable balances to be impaired. The carrying amount of receivables approximates the fair value due to the short term nature of the financial instrument.

5. Exploration and Evaluation Assets

Exploration and evaluation asset activity for the period ended June 30, 2015 was as follows:

	Oil and Gas Properties
Balance, January 1, 2015	$ 10,889
Additions	-
Disposition of assets	(172)
Present value of asset retirement additions	-
Depletion	-
Balance, June 30, 2015	$ 10,717

6. Property and Equipment

Property and equipment activity for the period ended June 30, 2015 was as follows:

	Oil and Gas Properties	Other	Total
Balance, January 1, 2015	$ 38,973	$ 1,409	$ 40,382
Additions	90	80	170
Dispositions	(398)	(673)	(1,071)
Transfer from inventory, net	107	-	107
Change in estimate of asset retirement obligations	(7,060)	-	(7,060)
Balance, June 30, 2015	$ 31,712	$ 816	$ 32,528
Accumulated depreciation and depletion:			
Balance, January 1, 2015	$ (2,148)	$ (1,144)	$ (3,292)
Depreciation and depletion	(187)	(74)	(261)
Dispositions	-	621	621
Balance, June 30, 2015	$ (2,335)	$ (597)	$ (2,932)
Net book value:			
January 1, 2015	$ 36,825	$ 265	$ 37,090
June 30, 2015	$ 29,377	$ 219	$ 29,596

Future development costs of $134.6 million and $71.4 million for the periods ended June 30, 2015 and 2014, respectively, have been included in the computation of depletion expense. No general and administrative costs have been capitalized with regard to property and equipment.

7. Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the estimated future obligations associated with the retirement of resource properties and oil and gas properties:

Balance, January 1, 2015	$ 25,610
Decrease in provision due to change in discount rates	(797)
Increase in provision due to passage of time (accretion)	246
Decrease in provision due to change in estimate	(6,272)
Increase in provision due to asset addition	90
Decrease in provision due to asset disposition	(398)
Balance, June 30, 2015	$ 18,479

The total undiscounted amount of estimated future cash flows required to settle the obligations is $25.5 million as of June 30, 2015 which has been discounted using risk free rates from 0.27% to 2.98% at June 30, 2015, and assumes an inflation rate of 1.5%. Most of these obligations are expected to be settled over the next twenty-four years and will be funded from general Company resources at the time of retirement.

During the second half of 2015, the Company will undertake an abandonment program to comply with the requirements of The Bureau of Land Management (BLM). Under this program, nine wells on the Company's property in New Mexico, the Chaveroo field, that are no longer capable of producing oil will be plugged at an estimated cost of $0.04 million per well. These abandonments will satisfy all requirements for 2015.

8. Equity Instruments

Authorized Shares - There are an unlimited number of authorized common shares of no par value and up to 25 million preferred shares of no par value (1,000 shares issued to a wholly owned subsidiary of the Company).

Issued and Outstanding – The Company had 16,018,586 shares of common stock outstanding at June 30, 2015 and December 31, 2014.

Share Consolidation - Effective January 15, 2015, the Directors of the Company authorized the implementation of a share consolidation of one new common share for every 10 pre-consolidated common share of the Company. The Company's shares began trading on the post-consolidation basis on January 21, 2015, and accordingly all references to the outstanding common shares or common share options of the Company in these financial statements have been restated to give effect to the consolidation as if the number of shares or options were effective for all periods presented.

Stock option plan - The Company has a stock option plan under which a rolling amount is reserved for issuance of up to 10% of the outstanding common shares as of any particular grant date. Options granted under the stock option plan have five-year expiration terms. The option prices for all outstanding options are denominated in Canadian dollars (C$), the trading currency of the Company's common shares.

The following tables summarize information about stock options as at June 30, 2015 (number of options in thousands):

	Number of Options		Weighted-Average Exercise Price (C$)
Oustanding, January 1, 2015	405	$	2.06
Expired	(50)	$	3.00
Forfeited	(223)	$	2.11
Outstanding, June 30, 2015	133	$	1.63

Range of Prices C$		Options Outstanding			Options Exercisable	
Low	High	Number Outstanding	Weighted-Average Remaining Contractual Life (Yrs.)	Weighted-Average Exercise Price (C$)	Number Exercisable	Weighted-Average Exercise Price (C$)
$ 1.00	$ 1.60	90	2.27	$ 1.22	90	$ 1.22
1.95	2.50	43	0.79	2.50	43	2.50
$ 1.00	$ 2.50	133	1.79	$ 1.63	133	$ 1.63

Earnings per share - Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year excluding ordinary shares purchased by the Company and held as treasury shares. The weighted average number of shares outstanding which were used for purposes of the computation of basic per share data, was 16,018,586 at both June 30, 2015 and 2014. Since the Company incurred a net loss for both periods, no common stock equivalents were included in the computation of diluted earnings per share as their inclusion would have been anti-dilutive.

9. Related Party Transactions

There were no related party transactions for the periods ending June 30, 2015 and 2014.

10. Commitments

The Company is committed to the following future payments (principally related to office leases), as of June 30, 2015:

2015		18
2016		39
2017		25
Total	$	82

On April 1, 2015, the sublease of the remaining term of the Company's office in Houston, Texas, became effective thus reducing its future committed payments by $0.5 million.

As of August 27, 2015, the Company has committed $0.4 million to fund its 2015 well abandonment program thus satisfying its 2015 plugging requirements established by the BLM.

In February 2014, the Company amended its CO_2 Purchase Agreement with Kinder Morgan CO_2 Company, L.P. (Kinder Morgan), to extend the dates before which the Company is obligated to take or pay for CO_2 purchases and connect to Kinder Morgan's pipeline. The agreement will provide the source of CO_2 for use in tertiary oil recovery projects in the Permian Basin. The contract, as amended, requires the Company to take or pay for the purchase of

27.4 billion cubic feet of CO_2 over a five-year period commencing no later than January 1, 2018. The maximum daily rate to be purchased under the contract is 20 million cubic feet per day during year three and the cost of CO_2 will fluctuate based on the price of crude oil and transportation tariffs. The Company will be required to construct a pipeline, currently estimated to be a distance of approximately 32 miles, to the pipeline operated by Kinder Morgan. The purchase commitment and obligation to pay, as amended, is cancellable before January 1, 2017, with no termination penalty.

In connection with the sale of certain assets to Kinder Morgan in 2011, as a condition of closing, the Company created an escrow fund for certain contingent obligations. The Company and Kinder Morgan agreed to be contingently responsible for and to share in the costs of up to $5.0 million of future appraisal drilling costs to evaluate helium in certain areas of the St. Johns Dome field, only when and if a new CO_2 pipeline is ultimately committed by Kinder Morgan (see Note 3 - Restricted Cash).

11. Financial Instruments - Commodity Contracts

The following table sets forth the specifics related to the financial instruments in place for future crude oil settlements (NYMEX WTI) at June 30, 2015.

Barrels	Commodity	Type	Price	Term
27,500	WTI Midland-Cushing Differential	Swap	($3.50)	Jan 2015- Dec 2015

The Company realized derivative losses $0.05 million for the six month period ended June 30, 2015 compared to a $0.06 million loss for the same period in 2015. Estimated unrealized losses on the future settlements of the remaining derivative contracts were $0.1 million and $0.3 million at June 30, 2015 and 2014, respectively.

12. Fair Value Measurements

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 - Values 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. Prices in level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

The Company has determined that the carrying value of its short-term financial assets and liabilities (cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities, borrowings) approximates fair value at the consolidated balance sheet dates due to the short-term maturity of these instruments.

The fair values of the derivatives are determined by a Level 2 valuation model, where pricing inputs other than quoted prices in an active market are used. These pricing inputs include quoted forward prices for commodities, foreign exchange rates, volatility and risk-free rate discounting, all of which can be observed or corroborated in the marketplace. The actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices and foreign exchange rates as compared to the valuation assumptions.

13. Risk Management

Disclosures relating to exposure to risks, in particular credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk are provided below.

Risks Associated with Financial Assets and Liabilities - The Company is exposed to financial risks arising from its financial assets and liabilities. Financial risks include market risks (such as commodity prices, foreign exchange and interest rates), credit risk and liquidity risk. The future cash flows of financial assets or liabilities may fluctuate due to the movements in market prices and the exposure to credit and liquidity risks.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents, including restricted cash, accounts receivable and counterparty risk on derivative contracts. The Company limits its exposure to credit risk with respect to cash equivalents by investing available cash in short-term deposits with Canadian and US banks, principally in overnight money market funds investing in government treasury instruments. The Company's receivables mainly consist of amounts due from sales of its crude oil and natural gas production. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

With respect to its crude oil and natural gas production receivables, the Company is the operator of all its property interests and owns the significant majority of the working interest in producing and non-producing properties.

Receivables related to the sale of crude oil production are with two major reputable marketers and proceeds are collected within approximately 25 days following the month of delivery. The Company with respect to the majority of operated production remits royalty and severance taxes to the other royalty and working interest owners of the leaseholds interests.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At June 30, 2015, the Company had cash of $1.6 million, excluding restricted cash of $5.5 million. The Company's working capital and current cash flows are not sufficient to fund the Company's operating expenditures and cash requirements without additional sources of funds. The Company's ability to continue as a going concern is dependent upon its ability to generate profitable production and to obtain additional funding from loans, equity financings, the sale of assets or through other arrangements. Although the Company has been successful in obtaining financing in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Foreign exchange risk

Substantially all of the Company's assets and expenditures are either denominated in or made with US dollars. As a result, the Company has very limited exposure to foreign exchange risk in relation to existing commitments or assets denominated in a foreign currency. The Company has chosen not to enter into any foreign exchange contracts as its Canadian dollar working capital balances are not deemed significant to the consolidated entity.

Interest rate risk

The Company is exposed to interest rate risk to the extent that changes in the market interest rates impact the Company's short-term deposits that have floating interest rates and to the extent borrowings are made under the debt facility. The Company's exposure to interest rate fluctuations at June 30, 2015, is primarily related to cash deposits denominated in Canadian or US dollars invested in short-term (less than 90 days) money market funds through its bank accounts and interest earned on its cash and cash equivalents.

Commodity price risk

The Company is exposed to fluctuations in the world commodity prices for its products with a corresponding impact to cash flow. Reduced cash flow may result in lower levels of capital being available for field activity, thus compromising the Company's capacity to grow production while at the same time replacing continuous production declines from existing properties. When debt levels are forecasted to increase due to capital expenditures exceeding cash flow, the Company may enter into oil and natural gas hedging contracts in order to provide stability of future cash flow, and thus predictable debt reduction. The Company enters derivative financial instruments to manage commodity price risk exposure relative to actual commodity production and does not utilize derivative instruments for speculative purposes.

14. Capital Disclosures

To manage the capital structure, the Company may adjust capital spending, issue new shares, issue new debt or sell assets. The Company's objectives in managing its capital structure are to maintain a flexible financial structure, to preserve the Company's access to capital markets, and to finance the Company's growth and continue to meet its financial obligations.

The Company manages its capital structure and makes adjustments to it in light of market and economic conditions as well as risk characteristics of the Company's underlying assets. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, the use of credit facilities, adjusting capital spending or by undertaking other strategies as deemed appropriate under the specific circumstances.

The Company monitors capital and its financing requirements through an annual budget process and updates to the budget forecast and working capital projections.

15. Supplemental Cash Flow Information

The (increase)/decrease in non-cash working capital from continuing operations is comprised of:

	June 30, 2015	June 30, 2014
Receivables	$ (102)	$ 129
Other current assets	172	13
Other non current assets	8	126
Accounts payable	(467)	2,498
Total	$ (389)	$ 2,766
Relating to:		
Operating activities	$ (389)	$ 2,766