

**ENERGY REVENUE AMERICA, INC.
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

**ENERGY REVENUE AMERICA, INC.
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
(unaudited)**

	DECEMBER 31, 2015
ASSETS	
Cash and cash equivalents	\$ 6,527
Advances and prepaid expenses	0
Total current assets	<u>6,527</u>
Property and Equipment, net	42,239
Oil and gas properties, full cost method	
Evaluated, net of accumulated depreciation	3,087,585
Advances and deposits	<u>38,552</u>
Total assets	<u>\$ 3,174,903</u>
LIABILITIES AND SHAREHOLDER'S DEFICIT	
Accounts payable	\$589,363
Accrued interest	1,231,157
Advances	<u>262,325</u>
Total current liabilities	2,082,845
Convertible notes payable	1,426,600
Notes payable	<u>2,454,205</u>
Total liabilities	5,963,650
Shareholders' deficit	
Common stock (\$.001, par value, 100,000,000 shares authorized, 42,241,111 shares issued and outstanding at December, 31, 2015)	47,241
Preferred stock, par value \$.001; 5,000,000 shares authorized; shares issued and outstanding: 0	0
Additional paid-in-capital, net of issuance costs of \$947,678	18,217,513
Accumulated deficit	<u>(21,053,501)</u>
Total shareholders' deficit	(2,788,748)
Total liabilities and shareholders' deficit	<u>\$ 3,174,903</u>

See accompanying notes to unaudited financial statements

**ENERGY REVENUE AMERICA, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS**

(unaudited)

	YEAR ENDED DECEMBER 31, 2015
Revenue	
Natural Gas Sales	\$ 10,420
Gas production costs	136,857
	<hr/> (126,437)
Expenses	
General and administrative	357,630
Operating Income	<hr/> (484,067)
Interest expense	<hr/> 461,799
Net Loss before taxes extraordinary items	(945,866)
Extraordinary item:	
Extraordinary gain, net of taxes of \$0	1,625,807
Net loss	<u><u>\$ 679,941</u></u>

See accompanying notes to unaudited financial statements

**ENERGY REVENUE AMERICA, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOWS
(unaudited)**

	YEAR ENDED DECEMBER 31, 2015
Operating activities	
Net Income	\$ 679,941
Changes in operating assets and liabilities:	
Prepaid Expenses and Other	57,810
Accounts payable	(95,984)
Accrued interest	(414,283)
Advances	(20,220)
	<u>207,265</u>
Net cash used in operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Advances and Deposits	(9,530)
Increase in property and equipment	(12,059)
Increase in oil and gas properties	(482,585)
	<u>(504,174)</u>
Net cash utilized from investment activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in Notes Payable	164,174
Issuance of Common Stock	5,000
	<u>169,174</u>
Net cash provided by financing activities	
Net increase in cash	(127,735)
CASH AND EQUIVALENTS AT DECEMBER 31, 2014	<u>134,262</u>
CASH AND EQUIVALENTS AT DECEMBER 31, 2015	<u>\$ 6,527</u>
Supplemental Cash Flow Disclosure:	
Interest paid during the year ended, December 31, 2014	<u>\$0</u>

See accompanying notes to unaudited financial statements

**ENERGY REVENUE AMERICA, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(unaudited)**

For the Year Ended December 31, 2015

	<u>Common Stock</u>		<u>Additional</u>	<u>Issuance Costs</u>		<u>Shareholders'</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid in Capital</u>	<u>of Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Deficit</u>
Balances at December 31, 2014	42,241,111	\$ 42,241	\$ 19,165,191	\$ (947,678)	\$ (21,733,442)	\$ (3,473,688)
Shares issued in year ended December 31, 2015	5,000,000	\$ 5,000	0	-	-	5,000
Net income for the year ended December 31, 2015	-	-	-	-	679,941	679,941
Balances at December 31, 2015	47,241,111	\$ 47,241	\$ 19,165,191	\$ (947,678)	\$ (21,053,501)	(\$2,788,747)

See accompanying notes to unaudited financial statements