

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

**CONSOLIDATED FINANCIAL STATEMENTS
Quarter Ending 3/31/2016
(UNAUDITED)**

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

(unaudited)

| | Quarter End 3/31/2016 2016 |
|---|---|
| | <hr/> |
| Revenue | |
| Natural Gas Sales | \$ 1,000 |
| Gas production costs | 785 |
| | <hr/> |
| | 215 |
| Expenses | |
| General and administrative | 39,010 |
| | <hr/> |
| Operating Income | (38,795) |
| | |
| Interest expense | 96,107 |
| | <hr/> |
| Net Loss before taxes extraordinary items | (134,902) |
| | |
| Extraordinary item: | |
| Extraordinary gain, net of taxes of \$0 | 6,000 |
| | |
| Net loss | <u><u>\$ (128,902)</u></u> |

See accompanying notes to unaudited financial statements

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

| | 3/31/2016 2016 |
|---|---------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 123 |
| Advances and prepaid expenses | 0 |
| Total current assets | 123 |
| Property and Equipment, net | 42,239 |
| Oil and gas properties, full cost method | |
| Evaluated, net of accumulated depreciation | 3,242,554 |
| Advances and deposits | 38,552 |
| Total assets | \$ 3,323,468 |
| LIABILITIES AND SHAREHOLDER'S DEFICIT | |
| Accounts payable | \$589,074 |
| Accrued interest | 1,327,264 |
| Advances | 276,332 |
| Total current liabilities | 2,192,670 |
| Convertible notes payable | 1,420,600 |
| Notes payable | 2,498,945 |
| Total liabilities | 6,112,214 |
| 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 | (21,053,501) |
| Total shareholders' deficit | (2,788,748) |
| Total liabilities and shareholders' deficit | \$ 3,323,467 |

See accompanying notes to unaudited financial statements

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

| | Qtr Ended 3/31/2016 2016 |
|--|---|
| Operating activities | |
| Net Income | \$ (128,902) |
| Changes in operating assets and liabilities: | |
| Prepaid Expenses and Other | - |
| Accounts payable | (289) |
| Accrued interest | 96,107 |
| Advances | 14,007 |
| | <u> </u> |
| Net cash used in operating activities | <u>(19,078)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Increase in Advances and Deposits | 0 |
| Increase in property and equipment | - |
| Increase in oil and gas properties | 154,969 |
| | <u> </u> |
| Net cash utilized from investment activities | 154,969 |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Increase in Notes Payable | 44,740 |
| Issuance of Common Stock | 0 |
| | <u> </u> |
| Net cash provided by financing activities | 44,740 |
| Net increase in cash | 180,631 |
| CASH AND EQUIVALENTS AT DECEMBER 31, 2015 | <u>6,527</u> |
| CASH AND EQUIVALENTS AT March 31, 2016 | <u><u>\$ 187,158</u></u> |
| Supplemental Cash Flow Disclosure: | |
| Interest paid during the year ended, December 31, 2014 | <u><u>\$0</u></u> |

See accompanying notes to unaudited financial statements

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

For The Quarter Ending 3/31/2016

| | <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 | - | - | - | - | 692,441 | 692,441 |
| Balances at December 31, 2015 | 47,241,111 | \$ 47,241 | \$ 19,165,191 | \$ (947,678) | \$ (21,041,001) | (\$2,776,247) |

See accompanying notes to unaudited financial statements