OTC Markets

Alternative Reporting Standard

Consolidated Financial Statements

(Unaudited)

For the Quarter ended March 31, 2017

May 15, 2017

1531 Stout Street, #607
Denver, Colorado 80202
816-256-8561
investorrelations@1stnrg-corp.com

1ST NRG CORP.
BALANCE SHEETS
(Unaudited)

ASSETS	March 31 2017	December 31 2016
Current Assets		
Cash	$ 11,834	$ 10,711
Accounts receivable	257,599	226,563
Marketable Securities	7,980	7,980
Notes Receivable	18,400	18,400
Total current assets	295,813	263,654
Property & Equipment		
Oil & gas properties - successful efforts method	2,017,699	1,998,099
Equipment	10,492	10,492
Asset retirement obligation	217,480	223,099
Total property & equipment	2,245,671	2,231,690
Less accumulated depreciation, depletion & accretion	(78,262)	(78,262)
Net property & equipment	2,167,409	2,153,428
Other Assets		
Deposits		
Restricted Cash	14,391,262	14,392,762
TOTAL ASSETS	16,854,484	16,809,843
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	$ 636,596	$ 620,241
Accrued management compensation	3,754,172	3,670,422
Short term loans payable	554,320	524,320
Advances by related parties	207,970	231,392
Current portion of long term debt	4,749,832	4,566,723
Total current liabilities	9,902,890	9,613,097
Long Term Liabilities		
Asset retirement obligation	217,150	222,769
Secured promissory note		
Total long term liabilities	217,150	222,769
Total liabilities	10,120,040	9,835,866
Stockholders Equity (Deficit)		
Preferred stock - 5,000,000 authorized - par value $0.001		
Series A - issuable	449	449
Series B - issuable	-	30,000
Series B issued	2	1
Series D - issuable	501	501
Series E - issued	2	2
Unfilled agreements to issue shares	(949)	(949)
Common Stock - 20,000,000,000 authorized - par value $0.00001		
7,048,120,310 Shares issued and outstanding at March 31, 2017 and 6,248,320,310 Shares issued and outstanding at December 31, 2016	266,576	256,576
339 Shares to be issued at March 31, 2017 and December 31 respectively 2016	66	66
Shares reserved for issuance	500	500
Additional paid in capital	20,847,087	20,832,088
Retained earnings (deficit)	(14,145,256)	(13,263,566)
Period net income (loss)	(234,534)	(58,734)
Total stockholders' equity (deficit)	6,734,444	7,796,934
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	16,854,484	17,632,800

See notes to the financial statements

1ST NRG CORP.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months ended 2017	March 31 2016
Revenues		
Natural Gas Sales	$	-
COPAS Fees	14,884	-
Total revenues	14,884	-
Costs and Expenses of Operations		
Transportation/gathering		-
Lease operating expense	12,246	38,943
Production taxes		-
Total costs and expenses of operations	12,246	38,943
Operating Margin	2,639	(38,943)
Expenses		
Management compensation	83,750	83,750
General and administrative	65,472	14,807
Total Expenses	149,222	98,557
Income (loss) from operations	(146,583)	(137,500)
Other Income (Expense)		
Depreciation, depletion & accretion		-
Intangible Drilling Costs		-
Sales of Properties		-
Cost of Properties Sold		-
Loss of Properties		-
Interest Expense	(87,950)	(84,514)
Total Other Income (Expense)	(87,950)	(84,514)
Net Income (Loss)	$ (234,534)	(222,014)
Net Income (Loss) Per Common Share	$ (0.00003)	(0.24135)
Average Number of Shares Outstanding	7,048,120,649	919,880

See notes to the financial statements

1ST NRG CORP.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31 2017	2016
Cash flow from operating activities		
Net loss	$ (234,534)	$ (222,014)
Adjustments to reconcile net income (loss) to net cash from operations		
Changes in current assets and liabilities		
(Increase) decrease in accounts receivable	(31,037)	(23,658)
(Increase) decrease in marketable securities	-	-
(Increase) decrease in notes receivable	-	-
Increase (decrease) in accounts payable	16,355	(167,393)
Increase (decrease) in accrued management compensation	83,750	256,500
Increase (decrease) in short term loans payable	30,000	150
Increase (decrease) in advances by related parties	(23,422)	1,238
Increase (decrease) in current portion of long term debt	183,109	82,401
NET CASH PROVIDED BY OPERATING ACTIVITIES	24,223	(72,777)
Investing activities		
Purchase of Property & Equipment	(19,600)	
Asset Retirement	5,619	(234,951)
Restricted Cash	1,500	1,500
NET CASH USED BY INVESTING ACTIVITIES	(12,481)	(233,451)
Financing activities		
Deposits Used	-	58,904
Asset retirement obligation	(5,619)	234,951
Series B - issued	1	-
Series B - issuable	(30,000)	-
Series E - issuable	-	-
Additional paid in capital - Common stock	14,999	-
Retained Earnings		-
Common stock	10,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	(10,619)	293,855
Change in cash and cash equivalents	1,123	(12,373)
Cash and cash equivalents at the beginning of the period	18,691	15,532
Cash and cash equivalents at the end of the period	$ 19,814	$ 3,159

See notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization - The Company is a State of Delaware corporation and its wholly owned subsidiary, 1st NRG Wyoming, Inc. a Wyoming corporation, maintain a December 31 fiscal year end.

Nature of Operations - 1st NRG Corp. (OTCBB: FNRC.PK) is an exploration and production company headquartered in Denver, Colorado. Our activity has been centered upon the development of coal bed methane reserves in Wyoming where we operate and hold an average 58% working interest in 43 producing wells and 3,059 undeveloped acres. In Ohio we have a 35% working interest in a Beekmantown Dolomite well and 100% of the development rights on 7,000 acres.

Basis of Presentation - The accompanying financial statements were prepared by the Company and include 1st NRG's and its wholly owned subsidiary's assets, liabilities, income and expenses from the properties in which they have a participating working interest. The Company uses the accrual basis of accounting for financial statement purposes. These statements have not been audited.

Basis of Consolidation - The consolidated financial statements include the accounts of the Corporation and its wholly owned controlled subsidiary, 1st NRG Wyoming, Inc. All inter-company transactions, balances, revenue and expenses have been eliminated on consolidation.

Risks and Uncertainties - Historically, oil and natural gas prices have experienced significant fluctuations and have been particularly depressed in recent years. If the Company's assets do not generate income sufficient to meet operating expenses, the Company's perceived market value could adversely be affected. Income from, and the value of, the Company's assets may be adversely affected by the general economic climate, oil & natural gas market conditions such as an oversupply of related assets or a reduction in demand for natural gas or natural gas assets in the areas in which the Company's assets are located, and competition from other energy companies. Revenues from the Company's assets are also affected by such factors as the costs of production and local market conditions.

Cash - Restricted - 1st NRG Corp closed a transaction with nine qualified investors in January 2011, pursuant to which the Investors purchased a private placement of Units consisting of Preferred Shares (convertible into Common Shares) and Warrants to purchase Common Shares. The total Unit purchase was $14,452,014.45 ($16,057.79 per Unit) and $14,391,262 is currently reflected on the Company's Balance Sheet as restricted cash. Under the terms of the Unit Subscription Agreement (USA), the Investor's cash and the Securities purchased (in certificate form) have been deposited in a restricted account with an Intermediary whereby an Account Management Agreement (AMA) between the Investors, the Company and the Intermediary governs the release of funds to the Company from the restricted account. The Investors may NOT request a return of capital without the agreement of 1st NRG and 1st NRG may not request to unwind or alter the transaction without agreement of the Investors. The shares are fully paid and non-assessable.

The funds were to be released to the Company in 36 periodic installments pursuant to the AMA and a schedule approved by the Company and the Investors. Trading volumes at or above a minimum bid price were to release a percentage of each periodic "Breakout" funds to the Company. Post the Company's reverse stock split in 2014, the minimum bid prices are now unattainable and the Company plans to renegotiate or unwind the transaction in 2017.

Revenue Recognition - The Company recognizes oil and gas revenues for only its ownership percentage of total production under the entitlement method. Purchase, sale and transportation of natural gas are recognized upon completion of the sale and when transported volumes are delivered.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management will provide for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on management's assessment of the current status of individual accounts. Balances that would remain outstanding after management has used reasonable collection efforts would be written off through a charge to the valuation allowance and a credit to trade receivables. Accounts receivable are short-term, non-interest bearing and uncollateralized. The Company did not record any allowance for uncollectable receivables in 2017 or 2016, however two working interest owners, representing 42% of the working interest at Clabaugh Ranch, have been unable to pay their share of operating expenses. The Company has agreements to purchase the owners interest and recoup the accounts receivables in the acquisitions.

Mountain Hawk Energy, an interest owner in 15 of our operated wells, is not participating in the current operations and pursuant to the Operating Agreement was deemed to have gone non-consent and thereby relinquished all of its interest in the wells and its share of production until the proceeds of the sale of its share, calculated at the well (after deducting applicable ad valorem, production costs, severance, and excise taxes, royalty, and overriding royalty), equal the total of the following:

> Three hundred percent (300%) of the cost of any newly acquired surface equipment beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and piping), plus One hundred percent (100%) of their share of the cost of operation of the wells; and
>
> Three hundred percent (300%) of (a) the costs and expenses of restarting and completing the wells, and of (b) that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable if Mountain Hawk had participated.

At March 31, 2016 the non-consent payout amount for the Mountain Hawk interest is approximately $1.59 million dollars.

Additionally, two other working interest owners have been unable to pay their share of operating expenses and the shortfall of cash for operations coupled with uneconomic commodity prices forced the shut in of Clabaugh Ranch in December 2015. We have negotiated a Purchase and Sale Agreement with one working interest owner and have a verbal agreement with the other to purchase their interests at Clabaugh Ranch.

Concentrations of Credit Risk - Financial instruments that subject the Company to credit risk consist principally of cash and receivables. Cash balances are maintained in local financial institutions and at times the balances may be in excess of federally insured limits. Management believes the risk of loss to be minimal. Receivables consist primarily of amounts due from joint interest billings to other working interest owners under the JOA.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. The Company's significant estimates include estimated life of long lived assets, use of reserves in the estimation of depletion of oil and gas properties and the impairment of oil and gas properties and asset retirement obligations.

Impairment - Long-lived assets, including oil and gas properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected undiscounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognized and measured using the asset's fair value or discounted cash flows. Management does not believe the oil and gas properties are impaired as of March 312017. No provision for impairment has been previously recorded for proved properties.

Fair Value Measurement and 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. In 2009, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement and Disclosures* 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. 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 own assumptions.

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

Industry Segment and Geographic Information - The Company operates in one industry segment, the exploration, development, production and sale of oil and natural gas.

Earnings per Share - Basic earnings per share ("EPS") is calculated by dividing net income (loss) attributable to common stock by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share incorporates the treasury stock method to measure the dilutive impact of potential common stock equivalents by including the effect of outstanding vested and unvested stock options and unvested stock awards in the average number of common shares outstanding during the period.

The following table shows the calculation of basic and diluted weighted average shares outstanding and EPS for the periods indicated:

	Three Months ended March 31, 2017	2016
Income (loss) attributable to common stock	**($234,534)**	**($222,014)**
Weighted average shares		
Weighted average shares—basic	**7,048,120,649**	**919,880**
Earnings (loss) per share - basic	**($0.00003)**	**($0.24135)**

NOTE 2 - COMMITMENTS AND CONTINGENCIES

Environmental Issues - The Company is engaged in oil and gas exploration and production and may become subject to certain liabilities as they relate to environmental cleanup of well sites or other environmental restoration procedures as they relate to the drilling of oil and gas wells and the operation thereof. In the Company's acquisition of existing or previously drilled well bores, the Company may not be aware of what environmental safeguards were taken at the time such wells were drilled or during such time the wells were operated. Should it be determined that a liability exists with respect to any environmental cleanup or restoration, the liability to cure such a violation could fall upon the Company.

Management believes its properties are operated in conformity with local, state and Federal regulations. No claim has been made, nor is the Company aware of any uninsured liability which the Company may have, as it relates to any environmental cleanup, restoration or the violation of any rules or regulations relating thereto.

Government Regulation - Many aspects of the oil and gas industry are extensively regulated by Federal, state, and local governments in all areas in which the Company has operations. Regulations govern such things as drilling permits, environmental protection and pollution control, spacing of wells, the unitization and pooling of properties, reports concerning operations, royalty rates, and various other matters, including taxation. Oil and gas industry legislation and administrative regulations are periodically changed for a variety of political, economic and other reasons. The Company in January 2017 was fined for minor violations of BLM regulations which we have appealed.

Note 3 - PREFERRED STOCK AND STOCKHOLDER’S EQUITY

Preferred Class A - 1st NRG Corp closed a transaction with nine qualified investors in January 2011, pursuant to which the Investors purchased a private placement of Units consisting of Preferred Shares (convertible into Common Shares) and Warrants to purchase Common Shares. The total Unit purchase was $14,452,014.45 ($16,057.79 per Unit) and $14,392,762 is currently reflected on the Company’s Balance Sheet as restricted cash. Under the terms of the Unit Subscription Agreement (USA), the Investor’s cash and the Securities purchased (in certificate form) have been deposited in a restricted account with an Intermediary whereby an Account Management Agreement (AMA) between the Investors, the Company and the Intermediary governs the release of funds to the Company from the restricted account. The Investors may NOT request a return of capital without the agreement of 1st NRG and 1st NRG may not request to unwind or alter the transaction without agreement of the Investors. The shares are fully paid and non-assessable.

The funds were to be released to the Company in 36 periodic installments pursuant to the AMA and a schedule approved by the Company and the Investors. Trading volumes at or above a minimum bid price were to release a percentage of each periodic “Breakout” funds to the Company. Post the Company’s reverse stock split in 2014, the minimum bid prices are now unattainable and the Company plans to renegotiate or unwind the transaction in 2017.

Series B Issuance- Each Series “B” Preferred converts to common shares at par - $0.00001. Shares of Series B Preferred Stock may not be converted into shares of Common Stock for a period of: a) six (6) months after purchase, if the Company voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if the Company does not file such public reports.

The Series B Shares has a face value of $2.50 per share and does not have voting rights. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any stock ranking junior to the Series B Preferred Stock, the holders of the Series B Preferred Stock shall be entitled to be paid out of the assets of the Corporation an amount equal to $1.00 per share or, in the event of an aggregate subscription by a single subscriber for Series B Preferred Stock in excess of $100,000, $0.997 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) (the "Preference Value"), plus all declared but unpaid dividends, for each share of Series B Preferred Stock held by them. After the payment of the full applicable Preference Value of each share of the Series B Preferred Stock as set forth herein, the remaining assets of the Corporation legally available for distribution, if any, shall be distributed ratably to the holders of the Corporation's Common Stock.

In April 2015, the Company issued 15,000 shares of its preferred series B stock to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of $20,000. During the Quarter Ended March 31, 2017, the company received notices of partial conversion of 3,240 Series B Preferred Shares which have been converted into 324,000,000 Common Shares.

Series D Issuance - As part of the private placement of Series "A' Issuance described above and the AMA agreements the Company issued 500,000 shares of Series "D" Preferred Shares to the Management of the Company. If at least one share of Series D Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series D Preferred Stock at any given time, regardless of their number, shall have voting rights equal to four times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of Series A and Series C Preferred Stocks which are issued and outstanding at the time of voting.

Series E Issuance - The Company declared a special dividend of its Series "E" Preferred Shares to shareholders of record at 4/28/2014 who held at least 100,000 shares of common stock. Each Series "E" Preferred converts to common shares at par - $0.00001. Shares of Series E Preferred Stock may not be converted into shares of Common Stock for a period of: a) six (6) months, if the Company voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if the Company does not file such public reports. The Series E Shares do not have voting rights. At March 31, 2017 there were 182,947 Series "E" Preferred Shares outstanding.

Common Stock - Effective June 23, 2014 the Company effectuated a reverse stock split comprised of one share of newly issued common stock for each 20,000 shares of common stock held as of the effective date. After the reverse split the Company had 919,880 common shares outstanding. All quantity references to common shares, both historically and current, have been adjusted to reflect the effect of this action.

April 20, 2016, the Company authorized the issuance of 1,000,000,000 of common stock each,of its Directors and to Mr. Ed Renyk, advisor to the Board for services rendered. The total issuance being 5,000,000,000 shares.

In May, 2016, 2,400 of the Series B Class B Preferred Shares were converted into 240,000,000 shares of the Company's Common Stock.

June 2016 a Series "E" Preferred shareholder elected to convert 1,334 Series "E" Preferred shares into 133,400,000 shares of common stock. The Series E Shares were anounced on May 12, 2014, by FINRA, the Company's declared dividend of one Series "E" Preferred Share for qualified shareholders of record on April 28,2014. The Series "E" Preferred Shares are now convertible into the Company's common stock and each Preferred "E" share converts into 100,000 shares of common stock. Also in June 2016, 360 of the Series B Preferred Shares were converted into 36,000,000 shares of the Company's Common Stock.

July 2016 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy with a principal amount outstanding of $80,000. Concurrently, the company received notice to also convert the partial note purchase of $800 into 40,000,000 shares of common stock.

October 2016 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of $5,000 into 250,000,000 shares of common stock.

November 2016 – The Company converted 480 of the Series B Class B Preferred Shares into 48,000,000 shares of the Company's Common Stock

December 2016 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of $10,000 into 500,000,000 shares of common stock.

February 2017 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of $5,000 into 250,000,000 shares of common stock.

March 2017 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of $10,000 into 500,000,000 shares of common stock.

March 2017 - Series “E” Preferred shareholders elected to convert a total of 498 Series “E” Preferred shares into 49,800,000 shares of common stock. The Series E Shares were anounced on May 12, 2014, by FINRA, the Company’s declared dividend of one Series “E” Preferred Share for qualified shareholders of record on April 28,2014. The Series “E” Preferred Shares are now convertible into the Company’s common stock and each Preferred “E” share converts into 100,000 shares of common stock.

Management’s Discussion and Analysis of Financial Condition or Plan of Operation

The following discussion and analysis of our financial condition or plan of operation should be read in conjunction with our financial statements and related notes included elsewhere in this report. The following discussion contains “forward-looking statements” that reflect our future plans, estimates, beliefs and expected performance. We caution that assumptions, expectations, projections, intentions, or beliefs about future events may, and often do, vary from actual results and the differences can be material. Some of the key factors which could cause actual results to vary from our expectations include changes in commodity prices, the timing of planned capital expenditures, availability of acquisitions, uncertainties in estimating proved reserves and forecasting production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as our ability to access them and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting our business, as well as those factors discussed below, all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur.

Our Company

1st NRG Corp. (OTCBB: FNRC.PK) is an exploration and production company headquartered in Denver, Colorado. Our activity has been centered upon the development of coal bed methane reserves in Wyoming where through our wholly owned subsidiary, 1st NRG Wyoming, we operate and hold a working interest in 43 producing wells and 3,059 undeveloped acres. The undeveloped acreage could be permitted for up to 36 additional locations which are characterized by what we believe to be low geologic risk, a repeatable development opportunity and are offsetting wells which all demonstrated developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

In 2014 we expanded our activities into development of acreage in SE Ohio where we have a 35% working interest in a Beekmantown Dolomite well and 100% of the development rights on 7,000 acres.

CBM – Northern Wyoming

Our current properties are characterized by what we believe to be low geologic risk and repeatable development opportunity. Clabaugh Ranch is about 18 miles northwest of Gillette Wyoming and all of the wells drilled there have encountered developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

Mountain Hawk Energy, an interest owner in 15 of our operated wells, is not participating in the current operations and pursuant to the Operating Agreement was deemed to have gone non-consent and thereby relinquished all of its interest in the wells and its share of production until the proceeds of the sale of its share, calculated at the well (after deducting applicable ad valorem, production costs, severance, and excise taxes, royalty, and overriding royalty), equal the total of the following:

> Three hundred percent (300%) of the cost of any newly acquired surface equipment beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and piping), plus One hundred percent (100%) of their share of the cost of operation of the wells; and
>
> Three hundred percent (300%) of (a) the costs and expenses of restarting and completing the wells, and of (b) that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable if Mountain Hawk had participated.

At March 31, 2017 the non-consent payout amount for the Mountain Hawk interest is approximately $1.58 million dollars.

Additionally, two other working interest owners have been unable to pay their share of operating expenses and the shortfall of cash for operations coupled with uneconomic commodity prices forced the shut in of Clabaugh Ranch in December 2015. We have negotiated a Purchase and Sale Agreement with one working interest owner and have a verbal agreement with the other to purchase their interests at Clabaugh Ranch.

South Eastern Ohio

The Company expanded its activities into Ohio participating in a development of prospective acreage encompassing approximately 7,000 acres. In 2014, a vertical test well was drilled, logged, cored and cased to a depth of approximately 7,620 feet, testing the Utica Shale but ultimately completed in the Beekmantown Dolomite. The Company has a 35% working interest in the well which blew out during operations to install the down hole pump and rods causing some damage to the surface equipment. The well remains shut in while repairs are made to the surface equipment, however we expect production to begin in Q2 2017.

Liquidity and Capital Resources

In order to execute its strategy the Company will need external sources of funds as cash flows from operations are not currently sufficient to meet the Company's capital and operational needs. Our capital budget needs are adjusted as business conditions warrant and availability of capital. The amount, timing and allocation of capital expenditures is largely discretionary and within our control. If natural gas decline to levels below our acceptable levels or costs increase to levels above our acceptable levels, we could choose to defer a significant portion of our budgeted capital expenditures until later periods to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flow. We routinely monitor and adjust our capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, the availability of rigs, success or lack of success in drilling activities, contractual obligations, internally generated cash flow and other factors both within and outside our control.

We are in a number of discussions with individual investors, Banks and Investment firms to finance working capital and capital expenditure programs.

Source of Our Revenues

Because Natural gas prices are inherently volatile and are influenced by many factors outside of our control our production revenues generated from the natural gas produced at Clabaugh Ranch have been shut in since January 2016. The Company also receives revenue under the terms of industry standard operating agreements with its other working interest owner/partners.

Principal Components of Our Cost Structure

- *Transportation expense* - These are the costs incurred to bring the natural gas to the market and include the gathering and compression fees charged by third parties. The first stage of gathering, by Wyoming law, is not a cost that is borne by the royalty and overriding royalty interest owners and is therefore paid by the working interest owners.

- *Lease Operating Expenses* - These are the daily costs of producing, repairs and work over expenses related to our natural gas properties as incurred under terms of the Operating Agreement with Mountain Hawk Energy. Cost levels for these expenses can vary based on industry drilling and production activity levels and the resulting demand fluctuations for oilfield services.

- *Production taxes* - Production taxes consist of severance and ad valorem taxes and are paid on produced natural gas and oil based on a percentage of market prices (not hedged prices) or at fixed rates established by federal, state or local taxing authorities.

- *Depreciation, depletion and accretion* - This includes the systematic expensing of the capitalized costs incurred to acquire, explore and develop natural gas and oil. As a successful efforts company, we capitalize all costs associated with our acquisition and development efforts and all successful exploration efforts, and allocate these costs to each unit of production using the units of production method.

- *General and administrative expense* - These costs include overhead, excluding payroll and benefits for our corporate staff, costs of maintaining our headquarters, costs of managing our production and development operations, franchise taxes, audit and other professional fees, and legal compliance.

- *Management compensation* - These costs are the current payroll and benefits for our corporate staff which are being accrued.

- *Interest expense* - We have financed a portion of our working capital requirements and acquisitions with borrowings. We also have fixed interest at 14.8% on the Jackson Energy note having a principal balance of $2.7 million. We will likely continue to incur significant interest expense as we continue to grow.

Results of Operations

Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2016

The following table and discussion sets forth selected operating data for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Our only producing assets have been shut in since January 2016.

	Three Months Ended March 31				
	2017	**2016**	**Change**		
Revenue					
Natural Gas Sales - Wellhead	-	-	$	-	
COPAS Fees	14,884	-		14,884	100.00%
	14,884	0		14,884	
Total revenue					
Costs and Expenses					
Transportation - Wellhead	0	0		0	
Lease operating expenses	12,246	38,943		(26,697)	-68.55%
Production taxes	0	0		0	
Total Costs and Expenses	12,246	38,943		(26,697)	-68.55%
Operating Margin	2,639	(38,943)		41,582	-106.78%
Other Income (Expense)					
Depreciation, depletion and accretion	0	0		0	
General and administrative	(65,472)	(14,807)		50,665	342.17%
Management salaries	(83,750)	(83,750)		0	0.00%
Intangible drilling costs	0	0		0	
Sales of Properties	0	0		0	100.00%
Cost of Properties Sold	0	0		0	100.00%
Loss of Properties	0	0		0	100.00%
Interest expense	(87,950)	(84,514)		3,436	4.07%
Total Other Income (Expense)	(237,172)	(183,071)		54,101	29.55%
NET INCOME (LOSS)	$ (234,534)	$ (222,014)	$	95,683	

Cash Flow Provided by Operating Activities

Net cash provided (Used) by operating activities was $24,223 and ($72,777) for the Three Months Ended March 31, 2017 and 2016, respectively.

Cash Flow Used by Investing Activities

For the Three Months Ended March 31, 2017 and 2016, we had cash provided (Used) by investing activities of ($12,481) and ($233,451), respectively.

Cash Flow Used by Financing Activities

For the Three Months Ended March 31, 2017 and 2016, we had cash provided (Used) by financing activities of ($10,619) and $293,855 respectively.

Our capital budget needs are adjusted as business conditions warrant and availability of capital. The amount, timing and allocation of capital expenditures is largely discretionary and within our control. If natural gas decline to levels below our acceptable levels or costs increase to levels above our acceptable levels, we could choose to defer a significant portion of our budgeted capital expenditures until later periods to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flow. We routinely monitor and adjust our capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, the availability of rigs, success or lack of success in drilling activities, contractual obligations, internally generated cash flow and other factors both within and outside our control.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements. Our more significant accounting policies and estimates include the successful efforts method of accounting for oil and gas production activities, estimates of natural gas and oil reserve quantities and standardized measures of future cash flows, and impairment of unproved properties. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our financial statements.

Litigation

The Company's only producing assets at Clabaugh Ranch have been shut in since January 2016. This coupled the inability of its outside working interest owners to pay their accounts has severely curtailed the Company's cash flows to the extent a number of vendors are making claims against it for lack of payment. The claims are in the process of being settled.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements other than operating leases.

Issuer's Certifications

I, Kevin Norris, certify that:

1. I have reviewed this Quarterly disclosure statement of 1st NRG Corp.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 15, 2017

Kevin Norris
CEO