STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at	March 31, 2015	December 31, 2014
(000s)	*($)*	*($)*
Assets		
Current assets		
Accounts receivable	**23,416**	29,524
Deposits and prepaid expenses	**1,218**	682
Derivative financial instruments (note 12)	**20,031**	23,270
	44,665	53,476
Non-current assets		
Derivative financial instruments (note 12)	**477**	–
Exploration and evaluation assets (note 5)	**64,821**	62,784
Property and equipment (note 6)	**642,680**	626,942
Total assets	**752,643**	743,202
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**33,758**	62,319
	33,758	62,319
Non-current liabilities		
Bank debt (note 7)	**171,660**	139,234
Decommissioning liabilities (note 8)	**35,958**	34,165
Flow-through share premium liabilities (note 9)	**95**	95
Deferred tax liability	**44,725**	43,880
Total liabilities	**286,196**	279,693
Shareholders' equity		
Share capital (note 9)	**381,540**	381,540
Contributed surplus	**13,768**	12,591
Retained earnings	**71,139**	69,378
Total shareholders' equity	**466,447**	463,509
Total liabilities and shareholders' equity	**752,643**	743,202

Commitments (note 13)

Subsequent events (notes 12, 14)

See accompanying notes to the interim financial statements.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Unaudited)

Three Months Ended March 31,	**2015**	2014
(000s, except per share amounts)	*($)*	*($)*
Revenue		
Oil and natural gas revenues	**46,077**	65,643
Royalties	**(9,971)**	(15,810)
Oil and natural gas revenues, net of royalties	**36,106**	49,833
Expenses		
Operating and transportation	**11,753**	10,011
General and administrative	**2,368**	1,872
Depletion and depreciation (note 6)	**21,024**	16,486
Share-based compensation (note 10)	**652**	471
Exploration and evaluation expense (note 5)	**344**	1,888
	36,141	30,728
Unrealized loss on financial instruments	**2,762**	4,187
Realized loss (gain) on financial instruments	**(6,916)**	1,598
Accretion and finance expenses	**1,515**	1,081
	33,502	37,594
Income before income tax	**2,604**	12,239
Taxes		
Deferred income tax expense	**843**	3,557
Net income and comprehensive income for the period	**1,761**	8,682
Retained earnings (deficit), beginning of the period	**69,378**	(6,855)
Retained earnings, end of the period	**71,139**	1,827
Net income per share (note 9)		
Basic	**0.02**	0.11
Diluted	**0.02**	0.10

See accompanying notes to the interim financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total Equity
(000s)	*($)*	*($)*	*($)*	*($)*
Balance – January 1, 2015	**381,540**	**12,591**	**69,378**	**463,509**
Share-based compensation	**–**	**1,177**	**–**	**1,177**
Net income	**–**	**–**	**1,761**	**1,761**
Balance – March 31, 2015	**381,540**	**13,768**	**71,139**	**466,447**
Balance – January 1, 2014	309,323	8,602	(6,855)	311,070
Share issuance costs	(14)	–	–	(14)
Tax benefit of share issuance costs	3	–	–	3
Share-based compensation	–	839	–	839
Exercise of options	1,437	(377)	–	1,060
Net income	–	–	8,682	8,682
Balance – March 31, 2014	310,749	9,064	1,827	321,640

See accompanying notes to the interim financial statements.

STATEMENTS OF CASH FLOWS

(Unaudited)

Three Months Ended March 31,	**2015**	2014
(000s)	*($)*	*($)*
Cash flow from (used in):		
Operating activities		
Net income for the period	**1,761**	8,682
Adjustments for:		
Depletion and depreciation expense (note 6)	**21,024**	16,486
Deferred income tax expense	**843**	3,557
Share-based compensation (note 10)	**693**	537
Accretion (note 8)	**201**	199
Unrealized loss on financial instruments	**2,762**	4,187
Exploration and evaluation expense (note 5)	**344**	1,888
Abandonment and reclamation costs (note 8)	**(5)**	–
	27,623	35,536
Change in non-cash working capital (note 11)	**(10,016)**	(11,929)
	17,607	23,607
Financing activities		
Increase in bank debt	**32,426**	19,798
Issuance of share capital	**–**	1,060
Share issuance costs	**–**	(14)
	32,426	20,844
Investing activities		
Property and equipment expenditures	**(34,825)**	(69,712)
Exploration and evaluation expenditures	**(2,235)**	(2,490)
Property acquisitions (note 4)	**–**	(110)
Changes in non-cash working capital (note 11)	**(12,973)**	27,861
	(50,033)	(44,451)
Change in cash and cash equivalents	**–**	–
Cash and cash equivalents – beginning of period	**–**	–
Cash and cash equivalents – end of period	**–**	–

See accompanying notes to the interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended March 31, 2015

(Unaudited)

01 REPORTING ENTITY

DeeThree Exploration Ltd. ("DeeThree" or the "Company") is a publicly traded company incorporated under the laws of Alberta. The Company is principally engaged in the exploration for and exploitation, development and production of oil and natural gas, and conducts many of its activities jointly with others. These financial statements reflect only the Company's interests in such activities. DeeThree is registered and domiciled in Canada. Its main office is at Suite 2200, 520 Third Avenue S.W., Calgary, Alberta. At March 31, 2015, the Company has a wholly owned subsidiary, Boulder Energy Ltd.

02 BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

These financial statements for the three months ended March 31, 2015 were prepared in accordance with International Financial Reporting Standards and interpretations (collectively referred to as IFRS) and Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014.

The financial statements were authorized for issuance by the Board of Directors on May 13, 2015.

03 SIGNIFICANT ACCOUNTING POLICIES

(a) CURRENT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 3 to the December 31, 2014 audited annual financial statements. Those accounting policies have been applied consistently to all periods presented in these interim financial statements.

(b) FUTURE ACCOUNTING POLICY CHANGES

In July 2014, IFRS 9 Financial Instruments was issued as a complete standard, including the requirements previously issued related to classification and measurement of financial assets and liabilities, and additional amendments to introduce a new expected loss impairment model for financial assets, including credit losses. Retrospective application of this standard with certain exemptions is effective for fiscal years beginning on or after January 1, 2018, with earlier application permitted. The full impact of the standard on the Company's financial statements is currently being assessed by the Company.

In December 2014, the IASB issued narrow-focus amendments to IAS 1 Presentation of Financial Statements to clarify existing requirements related to materiality, order of notes, subtotals, accounting policies and disaggregation. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amended standard is not expected to have a material impact on the Company's disclosure.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. It replaces existing revenue recognition guidance and provides a single, principles based five-step model to be applied to all contracts with customers. Retrospective application of this standard is currently effective for fiscal years beginning on or after January 1, 2017, with earlier application permitted; however, the IASB has proposed to defer to January 1, 2018. The Company is currently assessing the impact of this standard.

04 ACQUISITIONS

During the three-month period ended March 31, 2015, the Company did not complete any transactions to acquire interests in producing oil and natural gas assets. During the comparable period of 2014, the Company completed minor acquisitions for consideration of $0.1 million.

05 EXPLORATION AND EVALUATION ASSETS

	Three Months Ended March 31, 2015	Year Ended December 31, 2014
(000s)	*($)*	*($)*
Balance – beginning of period	**62,784**	45,611
Additions	**2,915**	23,454
Acquisitions through business combinations	**–**	6,746
Transfers to property and equipment	**(534)**	(3,709)
E&E expenses	**–**	(8,570)
Lease expiries	**(344)**	(748)
Balance – end of period	**64,821**	62,784

E&E assets consist of the Company's exploration projects that are pending the determination of proved or probable reserves. Additions represent the Company's share of costs incurred on E&E assets during the period and acquisitions represent E&E assets included in business combinations during the period.

During the period ended March 31, 2015, the Company incurred $0.3 million related to lease expiries on undeveloped land (year ended December 31, 2014 - $0.7 million) and did not incur any costs related to the drilling of unsuccessful wells (year ended December 31, 2014 – $8.6 million on three vertical stratigraphic test wells in Ferguson and one well in the Peace River Arch area that was determined to be unsuccessful).

During the period ended March 31, 2015, approximately $0.1 million of directly attributable general and administrative expense and $0.1 million of directly attributable share-based compensation expense were capitalized as expenditures on exploration and evaluation assets (year ended December 31, 2014 – $0.6 million and $0.5 million, respectively).

06 PROPERTY AND EQUIPMENT

($000s)	Oil and Natural Gas Properties	Office Equipment	Total
Cost			
Balance – January 1, 2014	545,805	418	546,223
Additions	257,943	56	257,999
Acquisitions	17,268	–	17,268
Transfers from E&E assets	3,709	–	3,709
Balance – December 31, 2014	**824,725**	**474**	**825,199**
Additions	**36,227**	**1**	**36,228**
Transfers from E&E assets	**534**	**–**	**534**
Balance – March 31, 2015	**861,486**	**475**	**861,961**
Accumulated depletion and depreciation			
Balance – January 1, 2014	117,305	153	117,458
Depletion and depreciation for the year	80,730	69	80,799
Balance – December 31, 2014	**198,035**	**222**	**198,257**
Depletion and depreciation for the period	**21,008**	**16**	**21,024**
Balance – March 31, 2015	**219,043**	**238**	**219,281**
Net book value			
December 31, 2014	626,690	252	626,942
March 31, 2015	**642,443**	**237**	**642,680**

(a) CAPITALIZATION OF GENERAL AND ADMINISTRATIVE AND SHARE-BASED COMPENSATION EXPENSES

During the period ended March 31, 2015, approximately $0.4 million of directly attributable general and administrative expense and $0.3 million of directly attributable share-based compensation expense were capitalized as expenditures on property and equipment (year ended December 31, 2014 – $1.7 million and $1.5 million, respectively).

(b) AMORTIZATION AND IMPAIRMENT CHARGES

For the period ended March 31, 2015, management determined that no impairment indicators were present and as such, did not perform an impairment test.

(c) FUTURE DEVELOPMENT COSTS AND SALVAGE VALUE

During the three months ended March 31, 2015, an estimated $382.5 million of future development costs associated with proved plus probable undeveloped reserves were included in the calculation of depletion and depreciation expense and an estimated $21.7 million of salvage value of production equipment was excluded (year ended December 31, 2014 – $388.1 million and $21.7 million, respectively).

07 BANK DEBT

At March 31, 2015, the Company had a committed term syndicated credit facility (the "Syndicated Facility") with an authorized borrowing base of $310 million, including a $280 million extendible revolving facility and a $30 million operating facility. At March 31, 2015, $171.7 million was drawn against this facility (December 31, 2014 – $139.2 million).

The Syndicated Facility is available for a revolving period of 364 days plus a one-year term-out, which is extendible annually, subject to syndicate approval. Repayments of principal are not required provided that borrowings under the Syndicated Facility do not exceed the authorized borrowing amount and the Company is in compliance with covenants, representations and warranties. As at March 31, 2015, the Company is in compliance with all covenants. Covenants include reporting requirements, permitted indebtedness, permitted hedging and other standard business operating covenants. There are no financial covenants under the Syndicated Facility. The authorized borrowing amount is subject to interim reviews by the financial institutions and the next semi-annual review of the Syndicated Facility is scheduled for the spring of 2015. Security is provided for by a floating charge demand debenture over all assets in the amount of $1.0 billion.

Borrowings under the Syndicated Facility are available on a fully revolving basis until May 28, 2015 (which was extended from the original term of 364 days from April 30, 2014 to April 29, 2015 due to the reorganization as explained in Note 14), at which time the Company can request approval by the lenders for an extension of an additional 364 days or convert the outstanding indebtedness to a one-year term loan with full repayment due at April 29, 2016. As a result of these terms, the bank debt is classified as a long-term liability on the statement of financial position at March 31, 2015.

The Syndicated Facility bears interest on a grid system which ranges from bank prime plus 1.0 percent to bank prime plus 3.5 percent depending on the Company's total net debt to cash flow ratio as defined by the lender, ranging from less than 1:1 to greater than 3:1. The Syndicated Facility provides that advances may be made by way of prime rate loans, U.S. base rate loans, London InterBank Offered Rate (LIBOR) loans, bankers' acceptances or letters of credit. A standby fee of 0.500 percent to 0.875 percent is charged on the undrawn portion of the Syndicated Facility, also calculated depending on the Company's total net debt to cash flow ratio, as defined by the lender.

08 DECOMMISSIONING LIABILITIES

The Company has estimated the net present value of decommissioning obligations to be $36.0 million as at March 31, 2015 (December 31, 2014 – $34.2 million) based on an undiscounted total future liability of $48.0 million (December 31, 2014 – $47.1 million). These payments are expected to be incurred over a period of two to 20 years with the majority of costs to be incurred between 2016 and 2026. At March 31, 2015, a risk-free rate of 2.25 percent (December 31, 2014 – 2.5 percent) and an inflation rate of 2 percent (December 31, 2014 – 2 percent) were used to calculate the net present value of the decommissioning liabilities. The $1.2 million of revisions is related to a change in the risk-free rate used in the calculation.

	Three Months Ended March 31, 2015	Year Ended December 31, 2014
(000s)	*($)*	*($)*
Balance – beginning of period	**34,165**	26,291
Liabilities incurred	**382**	2,722
Liabilities acquired	**–**	1,415
Revisions	**1,215**	2,904
Settlements	**(5)**	(17)
Accretion of decommissioning liabilities	**201**	850
Balance – end of period	**35,958**	34,165

09 SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common voting shares, no par value.

Unlimited number of preferred shares, no par value, issuable in series.

(b) ISSUED – COMMON SHARES

	Three Months Ended March 31, 2015		Year Ended December 31, 2014	
	Shares	Amount	Shares	Amount
	(#)	*($000s)*	*(#)*	*($000s)*
Balance – beginning of period	**88,974,460**	**381,540**	81,560,316	309,323
Common shares issued (i)	**–**	**–**	5,714,200	63,428
Flow-through shares issued (ii)	**–**	**–**	752,000	10,002
Premium on flow-through shares (ii)	**–**	**–**	–	(1,654)
Exercise of options (iii)	**–**	**–**	947,944	3,479
Share issuance costs	**–**	**–**	–	(4,048)
Tax benefit of share issuance costs	**–**	**–**	–	1,010
Balance – end of period	**88,974,460**	**381,540**	88,974,460	381,540

(i) COMMON SHARE ISSUANCES

In May 2014, DeeThree issued 5,714,200 common shares at a price of $11.10 per share for total gross proceeds of $63.4 million ($60.0 million net of estimated share issuance costs), including 304,200 common shares issued pursuant to the partial exercise of the over-allotment.

(ii) FLOW-THROUGH SHARE ISSUANCES

In May 2014, DeeThree issued 752,000 flow-through shares at a price of $13.30 per share for total gross proceeds of $10.0 million ($9.4 million net of estimated share issuance costs). The implied premium on the flow-through shares of $2.20 per share or $1.7 million was recorded as a liability on the statement of financial position and $0.1 million remains at March 31, 2015 (December 31, 2014 – $0.01 million). To date, the Company has incurred $9.4 million of the total $10.0 million of qualifying exploration expenditures, with the entire amount required to be spent by December 31, 2015.

(iii) EXERCISING OF OPTIONS

During the three months ended March 31, 2015, there were no options exercised.

During 2014, 947,944 options were exercised at a weighted-average price of $2.56 per share for total cash proceeds of $2.4 million and previously recognized share-based compensation expense of $1.1 million.

(c) PER SHARE AMOUNTS

Per share amounts were calculated on the weighted-average number of shares outstanding. The basic and diluted shares outstanding were as follows:

Three Months Ended March 31,	**2015**	2014
(000s, except per share amounts)	*($)*	*($)*
Net income for the period	**1,761**	8,682
	(#)	*(#)*
Weighted-average number of common shares		
– basic	**88,974**	81,932
– diluted	**90,687**	84,741
	($)	*($)*
Net income per weighted average common share		
– basic	**0.02**	0.11
– diluted	**0.02**	0.10

10 SHARE-BASED COMPENSATION

The Company has an option program that entitles officers, directors, employees and certain consultants to purchase Company shares. Options are granted based on the five-day volume-weighted average common share price prior to the date of grant, vest 20 percent after six months and then 20 percent on the first, second, third and fourth anniversaries from the grant date and expire five years from the grant date.

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

	Three Months Ended March 31, 2015		Year Ended December 31, 2014	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
	(#)	*($)*	*(#)*	*($)*
Outstanding – January 1	**7,676,328**	**5.94**	6,524,272	4.21
Issued	**–**	**–**	2,165,000	9.77
Exercised	**–**	**–**	(947,944)	2.56
Forfeited	**(5,500)**	**2.66**	(65,000)	9.25
Outstanding – end of period	**7,670,828**	**5.94**	7,676,328	5.94
Exercisable – end of period	**4,305,637**	**4.54**	3,916,972	4.39

Weighted-Average Exercise Price	Options Outstanding	Weighted-Average Contractual Life	Options Exercisable
($)	*(#)*	*(years)*	*(#)*
As at March 31, 2015			
2.00 – 2.99	**1,818,750**	**1.06**	**1,554,750**
3.00 – 3.99	**962,820**	**1.84**	**754,452**
4.00 – 4.99	**1,376,158**	**1.35**	**1,013,135**
5.00 – 5.99	**9,000**	**2.45**	**3,000**
6.00 – 6.99	**100,000**	**2.69**	**52,000**
7.00 – 7.99	**1,154,100**	**3.09**	**450,300**
8.00 – 8.99	**90,000**	**3.63**	**36,000**
9.00 – 9.99	**1,335,000**	**3.98**	**277,000**
10.00 – 10.99	**635,000**	**4.27**	**127,000**
11.00 – 11.84	**190,000**	**4.23**	**38,000**
	7,670,828	**2.42**	**4,305,637**

The fair value of the common share purchase options granted during the period was estimated as at the date of grant using the Black-Scholes option-pricing model and the following weighted-average assumptions:

	Three Months Ended March 31, 2015	Year Ended December 31, 2014
Risk-free interest rate *(%)*	**–**	1.28
Expected life *(years)*	**–**	3.10
Expected volatility *(%)*	**–**	49
Expected dividend yield *(%)*	**–**	0
Fair value of options granted during the year *($/option)*	**–**	3.36

A forfeiture rate of 2 percent for options granted during 2014 was used when recording share-based compensation expense. This estimate is adjusted to the actual forfeiture rate. Gross share-based compensation was $1.2 million for the quarter ended March 31, 2015 (year ended December 31, 2014 - $5.0 million). Of this amount, $0.04 million was reclassified to operating expense for the amount related to field employees (year ended December 31, 2014 – $0.2 million) and $0.5 million was capitalized (year ended December 31, 2014 – $1.9 million), resulting in total net share-based compensation expense of $0.7 million for the period (year ended December 31, 2014 – $2.9 million).

11 SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital are comprised of:

Three Months Ended March 31,	**2015**	2014
(000s)	*($)*	*($)*
Accounts receivable	**6,108**	(11,420)
Deposits and prepaid expenses	**(536)**	(556)
Accounts payable and accrued liabilities	**(28,561)**	27,908
	(22,989)	15,932
Related to operating activities	**(10,016)**	(11,929)
Related to investing activities	**(12,973)**	27,861
	(22,989)	15,932

12 DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) PROPERTY AND EQUIPMENT AND E&E ASSETS

The fair value of property and equipment recognized in a business combination is based on market values. The market value of property and equipment is the estimated amount for which property and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of petroleum and natural gas properties (included in property and equipment) and E&E assets is estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions.

The market value of other items of property and equipment is based on the quoted market prices for similar items.

(b) CASH AND CASH EQUIVALENTS, ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value of these balances approximated their carrying value at March 31, 2015 due to their short term to maturity.

(c) STOCK OPTIONS

The fair value of stock options is measured using the Black-Scholes option-pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted-average historical volatility adjusted for changes expected due to publicly available information), weighted-average expected life of the instruments (based on historical experience and general option-holder behaviour) and the risk-free interest rate (based on Government of Canada bonds).

DeeThree classifies the fair value of these transactions according to the following hierarchy based on the nature of the 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 continuous pricing information.

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices 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 are derived from inputs that are not based on observable market data.

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities included in the statement of financial position approximate fair value due to the short-term nature of those instruments. The fair value measurement of the derivative financial instruments has a fair value hierarchy of Level 2.

(d) DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2015, the Company had the following crude oil, natural gas, foreign exchange and interest rate risk management contracts, with a total mark-to-market asset of $20.5 million, $20.0 million of which is short-term and $0.5 million of which is long-term (December 31, 2014 – asset of $23.3 million):

CRUDE OIL CONTRACTS

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
Jan.1/15 – Dec.31/15	Crude Oil	Collar	500 bbls/d	WTI-NYMEX	US$85.00/bbl (floor) US$100.80/bbl (cap)
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.00/bbl
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.39/bbl
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$100.00/bbl
March 1/15 – June 30/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$72.92/bbl
Jan.1/16 – Dec. 31/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$78.00/bbl

FOREIGN EXCHANGE CONTRACT

Period	Currency	Type of Contract	Quantity	Pricing Point (Cdn$/US$)
Jan. 1/15 – Dec. 31/15	US$	Average Rate Range Forward	US$1,300,000	Trigger – 1.1300 Cdn$/US$ Floor – 1.100 Cdn$/US$ Ceiling – 1.1110 Cdn$/US$

INTEREST RATE CONTRACT

Term	Amount	Fixed Rate	Index
Feb. 18 /14 – Feb. 18/16	Cdn$40 million	1.44%	CDOR

Subsequent to March 31, 2015, DeeThree entered into the following crude oil risk management contracts:

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
May 1/15 – Dec. 31/15	Crude Oil	Fixed	1,000 bbls/d	WTI-NYMEX	US$60.25/bbl
Jan.1/16 – Dec. 31/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	US$62.75/bbl
Jan.1/16 – Dec. 31/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	US$63.60/bbl

13 COMMITMENTS

Years Ended December 31,	2015	2016	2017	Total
(000s)	*($)*	*($)*	*($)*	*($)*
Operating lease – office	480	160	–	640
Operating lease – equipment	29	–	–	29
Exploration expenditures (flow-through)	577	–	–	577
Total	1,086	160	–	1,246

As at March 31, 2015, the Company had contractual obligations for its office leases totalling approximately $0.6 million to March 2016. The head office lease obligations are comprised of the lease payments and an estimate of occupancy costs of the Company's head office space. The Company also had contractual obligations for several vehicles and equipment totalling approximately $0.03 million to October 2015.

In connection with the Company's issuance of flow-through shares during the second quarter of 2014, DeeThree is required to incur $10.0 million of eligible exploration expenditures. As at March 31, 2015, $9.4 million of these expenditures have been incurred, with the remaining $0.6 million to be incurred by December 31, 2015. The expenditures were renounced to shareholders in January 2015, effective December 31, 2014.

14 SUBSEQUENT EVENTS

On April 7, 2015, the Company's Board of Directors unanimously approved the proposed reorganization ("Reorganization") of DeeThree to create two, focused and independent, publicly traded energy companies. One company will be named Boulder Energy Ltd. ("Boulder"), a sustainable growth-focused light-oil company centered around DeeThree's Belly River development in the Pembina-Brazeau area of Alberta, and the other company will be DeeThree renamed as Granite Oil Corp. ("Granite"), a sustainable dividend and growth focused oil company centered around DeeThree's Alberta Bakken enhanced oil recovery ("EOR") project in southern Alberta.

The Reorganization will be implemented through a court-approved Plan of Arrangement, pursuant to which DeeThree shareholders will receive one half (0.5) of one common share of Boulder and one third (0.3333) of one common share of Granite in exchange for each DeeThree share held.

Subject to shareholder, Court of Queen's Bench of Alberta and the Toronto Stock Exchange approval and the satisfaction of other conditions precedent, the Reorganization is expected to close on May 15, 2015.