

**PINK SHEETS, LLC**  
**ISSURER'S CONTINUING DISCLOSURE**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015, 2014**

**Item 1 Exact name of the issuer and the address of the principal executive offices:**

**Humble Energy, Inc.**  
**35421 Kanis Road**  
**Paron, Arkansas 72122**

**Item 2 Shares Outstanding**

**Total number of outstanding shares as of 9/30/2015 was 26,091,400, 9/30,2014**  
**25,310,600**

**Item 3 Nine months ending September 30, 2015, 2014 Financial Statements**

**HUMBLE ENERGY, INC.**  
**SEPTEMBER 30, 2015, 2014**  
**CONSOLIDATED BALANCE SHEET**  
**UNAUDITED**

	<u>2015</u>	<u>2014</u>
<u>Assets:</u>		
<u>Current assets</u>		
Checking	\$ 3,726	\$ 14,511
Investment accounts	300	1,567
Accounts receivable	<u>0</u>	<u>5,272</u>
Total current assets	\$ 4,026	\$ 21,350
 Other assets		
Depletable oil & gas assets	\$ 690,500	\$ 570,541
Accumulated depletion	<u>(7,800)</u>	<u>(6,689)</u>
Total depletable assets	\$ 682,700	\$ 563,852
 Inventory dehumidification ATT	\$ 100,420	\$ 108,419
Equipment ATT	18,561	18,561
Patents ATT	<u>105,204</u>	<u>166,204</u>
Total ATT assets	\$ 224,245	\$ 293,244
Investments (coal, Power Klean) at cost		
Ltd. Partnership Paris Coal Field (coking coal)	\$ 650,000	\$ 650,000
Scranton Mineral Associates Ltd. Scranton		
Coal Fld. Semi Anthracite Coal (owned in fee)	\$ 1,750,000	\$ 1,750,000
Power Klean Internal Engine Cleaner	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Investments total	<u>\$ 2,450,000</u>	<u>\$ 2,450,000</u>
Total other assets	\$ 3,356,945	\$ 3,307,096
Total assets	\$ 3,360,971	\$ 3,328,446

	<u>2015</u>	<u>2014</u>
Current liabilities:		
Accounts payables	\$ 6,318	\$ 4,510
Accrued payables	<u>8,125</u>	<u>0</u>
Total liabilities	\$ 14,443	\$ 4,510

Shareholder's equity:

Common stock \$ .001 par, 250,000,000 shs. authorized 26,091,400 shs. outstanding	\$ 3,143,341	\$ 3,116,261
Preferred stock	79,575	79,575
Retained earnings	100,000	100,000
Net income	<u>23,612</u>	<u>29,099</u>
Total stockholder's equity	\$ 3,346,628	\$ 3,324,935
Total liabilities and Shareholder's equity	\$ 3,360,971	\$ 3,328,446

**FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2015 and 2014  
UNAUDITED**

	<u>2015</u>	<u>2014</u>
Revenues :		
Oil and natural gas sales	\$ 10,921	57,885
Leasing oil & gas	9,379	12,600
Netted oil and gas sales	<u>5,218</u>	<u>8,403</u>
Total revenue	\$ 25,505	\$ 78,888

Operating expenses:		
Advertising	\$ 0	\$ 0
Auto	500	100
Contributions	0	20
Corporate Stock Transfer	2,432	1,500
County real estate taxes	300	0
Contract labor	320	320
Credit card	833	1,250
Legal and accounting	0	1,250
Management fee	9,150	9,000
Medical	1,990	1,388
Miscellaneous	100	2,000
Rent	1,465	5,279
Repairs & Maintenance	72	1,936
OTC Market	2,280	6,665
Taxes	300	2,678

Telephone	1,461	1,903
Drawing	600	0
Well operating expense	<u>5,818</u>	<u>\$ 8,634</u>
Total expenses	\$ 27,621	\$ 49,789
Gain or (loss) from operations	\$ ( 2,116)	\$ 26,099

**HUMBLE ENERGY, INC.  
CONSOLIDATED STATEMENT OF  
SHAREHOLDER'S EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**

	DOLLARS	SHARES
BALANCE	\$ 1,000	1,000
April 30, 2009	0	953,698
May 1, 2009 Well purchase	134,918	9,000,000
June 30, 2009 Issued for services	11,529	900,000
Total June 30, 2009	149,377	10,854,698
Total November 30, 2013	149,377	10,854,698
Total December 31, 2013	3,304,357	25,000,000
Total September 30, 2015	3,116,261	26,088,850

**HUMBLE ENERGY, INC.  
CONSOLIDATED STATEMENT  
OF CASH FLOWS FOR THE NINE MONTHS ENDED  
JUNE 30, 2015 AND 2014  
UNAUDITED**

	<u>2015</u>	<u>2014</u>
Cash flow from operating activities:		
Net income (loss)	\$ ( 2,116)	\$ ( 1,508)
Unrealized gain on investments	0	0
Adjustments to reconcile net income (loss) to		
Net cash provided by operating activities		
Depreciation, depletion and amortization	7,800	6,689
Changes in operating assets and liabilities		
Trade accounts payable	4,549	11,994
Contingent trade accounts payable	<u>6,241</u>	<u>26,593</u>
Net cash provided by operating activities	\$ 16,474	\$ 43,768
Cash flows from financing activities		
Cash received from sale of stock	\$ 3,000	\$ 9,140

Distribution to owners	0	\$	0
Net cash used by financing activities	4,549		11,994
Net increase ((decrease) in cash	\$ (10,785)	\$	40,914
Cash-beginning of period	\$ 14,561	\$	14,505
Cash-end of period	\$ 3,726	\$	14,161
Supplemental disclosure of non-kind services	\$ 0	\$	0
Capital contributions of in-kind services	\$ 0	\$	0
Common stock issued	26,088,850		25,091,400

## **HUMBLE ENERGY, INC.**

### **NOTES TO UNAUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

#### **NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **HISTORY**

Humble Energy, Inc. was organized as Netrom, Inc. on April 9, 1966. The company changed its name to Tempest Trading Technologies, Inc. on June 23, 2003. On February 25, 2009, the state of domicile was changed from California to Nevada and the issuer's name was changed to Humble Energy, Inc. The common stock was reverse split 150 to 1. On May 2, 2009, the Company acquired assets, producing oil and gas wells, from trusts controlled by David R. Kane for 9,000,000 shares.

The Company completed an audit for the years 2009 and 2010. The Balance Sheet and Statement of income are incorporated into this report. Humble is completing an SEC S-1 registration that has been delayed until the second quarter of 2016. Management believes that the Jobs Act should make it much easier to raise capital for small companies through Group Funding. Group funding eliminates many restrictions on the amount and number of investors that can participate in capital raising for a company. The largest issue in the timing of an offering for Humble is the price of natural gas down 40%, and oil 50% in the last 12 months.

Effective as of December 31, 2013 the Company merged Humble Petroleum, Inc., a Texas Corporation, into the public company. The transaction was based upon common stock of Humble Energy, Inc. for all of the assets of Humble Petroleum, Inc.

The Oil and Gas Journal ranks the 150 largest oil and gas companies each year. With reference to the September 2012 Oil and Gas Journal the combined companies 136 in assets, and because of a profit in 2013 it would rank in the top 96th based on net operating income.

The latest Oil and Gas Journal 2013 rankings shows Humble Energy, Inc. as the 134<sup>th</sup> largest energy production company by assets in the U.S. a move up of 2 places. Because of oil and gas losses in the industry, Humble ranked 85<sup>th</sup> in profit moving up from 96<sup>th</sup> a year earlier. The Oil and Gas Financial Journal has a new quarterly report and Humble Energy, Inc. is participating in its quarterly rankings. Humble was ranked at the 117 largest oil and gas company in the U.S. That is up from 134 in 1936. The profit amount was 65 in rank up from 85. The move was one of the largest of any company in the top 150 companies ranked,

.

## **ACCOUNTING**

All significant inter-company transactions have been eliminated in the preparation of these financial statements.

### **Cash and cash equivalents**

For the purposes of the Statement of Cash Flows, the Company considers all short term debt to be cash equivalents. There was no payment set aside for income taxes during the period.

### **Inventories**

Inventories are valued at the lower of cost or market basis using the first-in first-out method of costing.

## **NOTE 2-THE TRANSACTION**

The evaluation of assets is not an arms length and due to the management control of both companies there is no assurance that the evaluation is either fair or accurate. In 2001 an audit revealed that the ATTI assets were valued at \$1,000,000. These assets are valued on this balance sheet at \$290,544, which is below cost. The coal limited partnerships are valued at cost and the oil and gas assets are valued at cost of purchase plus additional drilling capital costs. Power Klean, an internal engine cleaner, that reduces wear, cuts pollution and eliminates 85% of gunk and carbon in the engine. It is valued at \$50,000. A royalty agreement for 40,000,000 tons of coal as mined is valued at zero.

The value of the stock traded to Humble Petroleum, Inc. for this transaction was 14,145,302 shares times the closing price of \$ .51 on December 31, 2013 \$7,214,104. There is a case to be made for marking the assets acquired to \$7,214,104 from the trade amount \$3,304,357. This argument is further substantiated by asset appraisal of the natural gas assets. At the stated value at cost of \$ 606,342 the income in 2014 was 10% of value.. It is 8.35 years for payout.

## **CONTINUING ACTIVITIES**

In October the Company began participating in an 8 well program in Louisiana. The horizontal drilling program is located in the Cotton Valley Formation which is found in Arkansas, Louisiana and Texas. The company acquired 124 producing wells in the Haynesville shale formation in 2010 which led to this drilling. The Cotton Valley is a prolific sand formation that produces Oil,

Natural Gas and other liquids. The first well was drilled to 10,000 feet vertical and 8,000 feet horizontal. **The well produced more than 5,400,000 cubic feet of gas per day on a 44/64 choke since completion in January. It is also producing some condensate. This is an exceptional well.** Four more wells are drilled and completed. The Cotton Valley formation has a smaller decline curve than the shale horizontal wells drilled on our Haynesville shale leases. The wells are 150 miles from the Cheniere Liquefied natural gas Port on the Gulf Coast. The reason why the logistics are important to Humble is the natural gas is selling for \$12 per thousand in Europe and \$16 in Asia. Our price is \$2.25 in the US. The Port will be shipping in the 4<sup>th</sup> quarter of 2015. This is one of several ports being built and has pipeline access from our wells.

**The four wells have now been completed and they are almost double the first. They were producing 550,000,000 cubic feet per day and 15 barrels per day on a 58"/64<sup>th</sup> choke. That is over \$100,000 per day 3,000,000 per month even at \$ 2 per cubic feet.**

On February 22, 2015 management learned that a shortage existed on accounts outside the Company used for the sale of common shares of Humble Petroleum, Inc. Negotiations began to bring the account into balance and to cease further shortages immediately. An agreement has been reached to bring the account into balance. Since the agreement some progress has been made and the Company believes that full resolution will come this year. The shortage is 2% of the assets of the Company. It could be much more in opportunity costs. The new stockholders have been protected.

#### Property and equipment

Property and equipment are carried at cost. Maintenance repairs, office equipment and supplies are expensed as incurred. Oil and gas re-completions are capitalized and written off as depleted. Depreciation of property and equipment is provided for on a straight line basis over their estimated useful lives as follows:

Office Equipment	5 years
Computers	5 years
Video	5 years
Editing Equipment	5 years
Board Designs	3 years
Computer programs	3 years

#### Income taxes

At December 31, 2010, the Company had a net loss of \$18,256 and a loss of \$5,967 in 2011, \$1,665 in 2012 and a consolidated profit \$28,898 in 2013. The Profit in March 31, 2015 was \$ 2761. The Company made no provision for income taxes payable, if any, in this financial report.

#### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates used for the preparation of these financial statements are the value of fixed assets purchased and depreciable lives of the assets purchased. See note 2.

On May 1, 2009, the Company entered into an Asset Purchase Agreement to purchase producing oil and gas wells from three trusts controlled by David R. Kane.

<u>Name</u>	<u>No. of Wells</u>	<u>Predecessor's Cost</u>	<u>Consideration</u>
The Trust Humble	28	\$7,687	567,000 shs.
The Trust Humble II	22	\$71,008	5,220,000 shs.
The Humble Oil Trust ii	32	\$43,694	3,213,000 shs.

The value established by management is the actual cost paid for the oil and gas wells by the Trusts at auction. Wells drilled and completed after auction are carried at cost. Management has made no attempt to verify that the price paid by the Trusts was fair market values. The value assigned is a significant estimate used in the preparation of these financial statements.

Management has assigned a depreciable life to these wells (Note 1) is a significant estimate. The Company assigned a significant estimate used in the preparation of these financial statements.

Evaluated Company Reserves, oil and natural gas

In 2011, a reserves study was completed by a petroleum engineering firm in Tulsa, Oklahoma. This study showed reserves were 612,743,000 cubic feet of natural gas. The decline factor was 10% per year over 10 year period. The value of the reserves was \$2,144,671. They were valued at \$3.50 per mcf. The reserves are carried on the financial statement as of September 2012 at \$145,887. After the transaction the reserves are valued at \$ 596,100.

### **NOTE 3- EQUITY**

#### **Preferred Stock**

The Company is authorized to issue 1,000,000 preferred shares at .001 par value. The Company has no preferred stock outstanding. The December 31, 2013 purchase does not anticipate the use of Humble Energy, Inc. preferred stock. Humble Petroleum, Inc. has 79,575 convertible preferred shares outstanding that will be converted to Humble Energy, Inc. common stock.

#### **Common stock**

As of November 3, 2008, the Company had 250,000,000 common shares authorized with a par value of \$.001 per share. There were 10,854,698 shares outstanding as of December 1, 2013.

After the purchase there are 25,091,400 shares outstanding. Currently there are 26,091,400 outstanding.

#### **NOTE 4-RELATED PARTIES**

The Company has had a number of transactions with related parties.

#### **NOTE 5-COMMITMENTS**

The Company has no commitments.

#### **NOTE 6-GOING CONCERN**

The Company has consistently increased its assets but has not generated significant revenues or profits to date. This factor, among others, may indicate the Company will be unable to continue as a going concern. The Company has no bank debt and only a small amount of operating expense debt which makes it a viable company in most circumstances. The Company's continuation as a going concern depends upon its ability to generate sufficient cash flow to conduct its operations and its ability to obtain additional sources of capital and financing. The accompanying financial statements do not include any adjustment that might result from the outcome of this uncertainty. Humble estimates that at least 75% of its annual natural gas production by dollars is now shut-in awaiting an increase in natural gas prices. The price of natural gas in 2012 dropped to a 10 year low of \$1.82 per 1000 cubic feet. Last year the price rose briefly to \$6.05 per mcf. It is currently above \$3.00 on the Junel futures contract. Management believes that the price of natural gas will rise slowly over time as the many uses of the gas increases. The company makes money above \$4.00 because it has low fixed cost. In the 2009 and 2010 audit Going Concern was not addressed. With the steady rise in profitability and income growth it is management's belief that it will continue to remain a non-issue.

#### **NOTE 7-MANAGEMENT PLANS AND DISCUSSION OF THE OIL AND GAS INDUSTRY**

The Company plans to aggressively purchase additional wells. As it was with the first two purchases, the purchases will be for stock and or cash. The Company will continue its purchase of oil and gas producing properties in areas where shale zone production is in play. Shale gas is usually in lower zones as it was in the Haynesville shale in Louisiana. In the Haynesville shale Humble participated in the drilling of deeper shale wells after buying 123 gas wells in the area. These wells were drilled by the operators EP Exploration and Production and XTO a company owned by Exxon Mobil. In addition the Company continues to encourage the operators to shut-in wells that are selling natural gas below cost. Shut-in procedures in operating agreements allow the companies to shut-in the wells while retaining the lease and produce them when the price rises.

In 2008 the price of natural gas futures reached a high of \$15.70 per 1000 cubic feet (mcf). The cash price at the well head was between \$8.00 and \$13.00 depending upon the well location. In 2009, the futures price of natural gas dropped to \$2.38, while in April 2012 the price fell to a



10 year low of \$1.82. The company received payments as low as \$1.65. The cost of producing an mcf of natural gas for the Company averages \$4.50. In the fourth quarter of 2009 the largest producing 19 wells in Wyoming were shut-in. These wells have continued to remain shut-in with a cost of operation at \$6.00 per mcf. Wells that produce gas as well as liquids such as condensate, wet gas and oil usually are not shut-in because the price of the liquids continue to price around \$40.00 per barrel. The Energy Information Agency, the last word in US energy says that there a 20% oversupply of natural gas. During the current cold weather storage facilities drained 97 billion cubic feet in one week. The mass migration from coal to produce electricity by natural gas and solar is underway. 30% of the electricity in the US is produced by using natural gas.

New uses for natural gas as a transportation fuel is gaining favor. 2.5 million barrels of oil per day are used to power heavy duty trucks. Orders are being placed for large trucks by major trucking firms, mail, garbage, and city vehicles that require more torque than can be produced by electric engines. A natural gas highway on interstates will enable long haul trucks to use natural gas. The Natural Gas Super Highway is now complete with access to natural gas for 18 wheelers is at least 150 miles within reach. The price of gas to oil equivalent is currently \$1.50 per gallon. In addition to being half the price of gasoline or diesel, natural gas is 50% cleaner for the environment with no Mercury. Cheaper, Cleaner and Abundant must be a winning combination. Exporting natural gas is another use of our vast resources. The price of natural gas is not traded on a world basis like oil but instead on a regional basis. The price of natural gas in Europe is \$12, \$8 in Britain, \$16 in China and Japan. Russia is the exporter and they are using their position to threaten supply and extract a price. Humble will be a player here as the US ports and will be ready for shipping in 2015. This will offer some relief for the oversupply.

Changing natural gas to oil has been possible since the 1940's. The agent that was used initially was iron. Recently, cobalt has become a better agent. This process has also been used to convert coal to oil. Standard Oil of New Jersey sold this process to Germany before WWII. It fueled their war machine. Today Sasol, a South African company is building plants that will produce 175,000 barrels of oil per day by converting natural gas to oil. This will not make an impact on the price of natural gas for the foreseeable future. Sasol is building conversion plants around the world.

### **In April of 2015 natural gas replaced coal as the number one fuel burned producing electricity.**

Chemical and fertilizer companies use large amounts of natural gas to build their products. BSAF a German company is completing a large complex on the Gulf Coast to take advantage of the low cost of our natural gas. Europe at \$12 and \$4.00 in US was the deciding factor.

Humble is in the forefront of a Game-Change in energy. Some have called this the Third Industrial Revolution. The first was brought about by steel and oil. The second was the computer, the internet and the information age. The 120 year supply of natural gas is bringing the next revolution to the United States.

The Company believes that the Energy Revolution will be led by natural gas but all forms of energy will be needed. Because of cheap energy the US will regain its position of manufacturing leader with jobs moving back to the US.

Metallurgical coal of the quality owned by Humble should add to the bottom line as steel plants are moving into this region. Nucor and the Koch Brothers are currently building steel plants in Arkansas.

Certain of the matters discussed in this report constitute “forward-looking statements” within the meaning of the Private Securities Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management beliefs as well as assumptions and currently available to management. When used herein “anticipate”, “intend”, “estimate”, “believe”, “expect”, “plan”, “should”, “hypothetical”, “potential”, “forecast”, “project”, variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may influence actual results to differ from those often presented with the forward looking statement themselves. Accordingly the Act states that there is no need on the part of management to change, report or clarify these statements.

**NOTE 8-LEGAL PROCEEDINGS**

None

**NOTE 9-DEFAULT ON SENIOR SECURITIES.**

None

**Note 10-OTHER INFORMATION..**

None

**NOTE 11-EXHIBITS.**

None

**NOTE 12-CERTIFICATIONS.**

None

I David R. Kane, certify that:

- (1) I have reviewed the Issuer’s Continuing Disclosure Statement of Humble Energy, Inc.
- (2) Based on my knowledge, this Disclosure Statement does not contain any untrue statement of material facts, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which 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 or other financial information included or incorporated by reference in this Disclosure Statement fairly presents in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the period presented in this Disclosure Statement.

Date: November 15, 2015

/s/ David R. Kane

---

David R. Kane, President

I Robert L. Cashman, certified that:

- (4) I have reviewed the Issuer's Continuing Disclosure Statement of Humble Energy, Inc.
- (5) Based on my knowledge, this Disclosure Statement does not contain any untrue statement of material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by the Disclosure Statement and
- (6) Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this Disclosure Statement fairly presents in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the period presented in this Disclosure Statement.

Date: November 15, 2015

/s/ Robert L. Cashman

---

Robert L. Cashman, Chief Financial Officer



