

PINK SHEETS, LLC
ISSURER'S CONTINUING DISCLOSURE
FOR THE SIX MONTHS ENDED
JUNE 30, 2016, 2015
FINAL

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 6/30/2016 was 26,111,400

Item 3 For The Six Months Ended June 30, 2016, 2015 Financial Statements

HUMBLE ENERGY, INC.
CONSOLIDATED BALANCE SHEET
FOR THE SIX MONTHS ENDED JUNE 30, 2016, 2015
UNAUDITED

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets		
Cash	\$ 596	\$ 1,118
Investment accounts	1,003	1,300
Accounts receivable	<u>72,525</u>	<u>74,525</u>
Total current assets	\$ 74,124	\$ 76,943
Other assets		
Depletable oil & gas assets	\$ 622,342	\$ 616,342
Accumulated depletion	<u>(13,000)</u>	<u>(11,342)</u>
Total depletable assets	\$ 609,342	\$ 605,000
Land leases held by production	<u>249,000</u>	<u>\$ 249,000</u>
Total oil & gas assets	\$ 858,342	\$ 854,000
Inventory dehumidification ATT	100,419	\$ 105,419
Equipment ATT	18,000	18,561
Patents ATT	<u>\$ 166,000</u>	<u>166,264</u>
Total ATT assets	\$ 284,419	\$ 290,244
Investments (coal, Power Klean) at cost		
LP Paris Coal Field (coking coal)	\$ 650,000	\$ 650,000
SMA Ltd. Scranton Coal Fld.		
Metallurgical Coal(owned in fee)	1,750,000	1,750,000
Power Klean Internal Engine Cleaner	<u>50,000</u>	<u>50,000</u>
Total investments	\$ 2,450,000	\$ 2,450,000
Total other assets	<u>\$ 3,592,761</u>	<u>\$ 3,594,244</u>
Total assets	\$ 3,666,885	\$ 3,671,187

Liabilities and Shareholder's Equity:

Current liabilities:

Accounts payable	\$ 3,542	\$ 13,348
Accrued payables	15,340	6,244
Notes payable	<u>0</u>	<u>0</u>
Total liabilities	\$ 18,882	\$ 19,592

Shareholder's equity:

Convertible preferred stock	\$ 79,575	\$ 79,575
Common stock \$.001 par, 250,000,000 authorized, 26,111,400 shs. outstanding	\$ 3,446,736	3,446,736
Retained earnings	100,000	100,000
Net income	<u>21,692</u>	<u>25,284</u>
Total stockholder's equity	\$ 3,648,003	\$ 3,651,595
Total liabilities and Shareholder's equity	\$ 3,666,885	\$ 3,671,187

HUMBLE ENERGY. INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED
JUNE 30, 2016, 2015
UNAUDITED

	<u>2016</u>	<u>2015</u>
Revenues :		
Oil and natural gas sales	\$ 6,406	\$ 12,510
Netted oil and gas sales	685	6,718
Sale of Minerals	<u>0</u>	<u>9,633</u>
Total revenue	\$ 7,091	\$ 28,861

Operating expenses:

Credit card	125	653
Draws	0	4,550
Franchise tax	60	570
Insurance-Auto	0	554
Bank charges	25	166
Legal and accounting	0	231
Loan repayment	20	0
Management fee	500	2,500
Miscellaneous	0	1,280
Medical	195	643
Operating expense	200	5,183

Periodicals	0	65
Rent	2,430	2,430
Repairs & Maintenance	138	523
OTC Market	850	2,100
Stock Transfer	0	209
Taxes	0	19
Travel		200
Telephone	<u>1,593</u>	<u>1,231</u>
Total expenses	\$ 6,136	\$ 23,106
Gain or (loss) from operations	\$ 955	\$ 5,755

HUMBLE ENERGY, INC.
CONSOLIDATED STATEMENT OF
SHAREHOLDER'S EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2016

	DOLLARS	SHARES
BALANCE	\$ 1,000	1,000
April 30, 2009	0	953,698
May 1, 2009 Well purchase	134,918	,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	\$ 3,349,691	25,000,000
Total June 30, 2015	\$ 3,446,736	26,091,400
Total June 30. 2016	\$ 3,448,736	26,111,400

HUMBLE ENERGY, INC.
CONSOLIDATED STATEMENT
OF CASH FLOWS FOR THE SIX MONTHS ENDED
JUNE 30, 2016, 2015
UNAUDITED

	<u>2016</u>	<u>2015</u>
Cash flow from operating activities:		
Net income (loss)	\$ 955	\$ 5,755
Unrealized gain on investments	0	0
Adjustments to reconcile net income (loss) to		
Net cash provided by operating activities	955	5,755

Depreciation, depletion and amortization	13,000	11,342
Changes in operating assets and liabilities		
Trade accounts payable	3,542	13,348
Contingent trade accounts payable	<u>15,340</u>	<u>6,244</u>
Net cash provided by operating activities	\$ 31,882	\$ 36,699
Cash flows from financing activities		
Cash received from sale of stock	2,000	\$ 3,500
Distribution to owners		0
Net cash used by financing activities	18,882	19,592
Net increase ((decrease) in cash	955	5,075
Cash-beginning of period	\$ 1412	\$ 6,193
Cash-end of period	\$ 596	\$ 1,118
Supplemental disclosure of non-kind services	0	0
Capital contributions of in-kind services	0	0
Common stock issued	26,111,400	26,091,400

HUMBLE ENERGY, INC.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

JUNE 30, 2016

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 was changed to Humble Energy, Inc. The common stock was reverse split 150 to 1. On May 5, 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 were incorporated into this report. Humble is completing an SEC S-1 registration that has been delayed until the first quarter of 2017. Management believes that the recently completed regulations for the enacted Jobs Act should make it much easier to raise capital for small companies through Crowd Funding. Crowd funding eliminates many restrictions on the amount and number of investors that can participate in a capital raise for a company.

Effective as of December 31, 2013 the Company merged with Humble Petroleum, Inc., a private Texas Corporation. 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 largest oil and gas companies each year. On December 31, 2013 the Journal ranked the Company as the 134th largest in asset size and 115 in Stockholder Equity. Profitability of the Company ranked 85th in net operating income.

The latest Oil and Gas Financial Journal shows a substantial move in 2014. Rankings show Humble Energy, Inc. as the 119th largest energy production company by assets in the U.S. a move up of 16 places. Because of oil and gas losses in the industry Humble is ranked 67th in profit moving up 18 places from 85th a year earlier. The Company ranked 101 in Stockholder Equity. Our goal this year is to get into the top 100

The Company had its highest ranking in "Return on Stockholder Equity" tied for 6th and ahead of Exxon Mobil at 7th.

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 arms length due to the same management controlling both companies. Stockholders are also similar. 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 \$284,419, 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 of development wells capital costs. Power Klean, an internal engine cleaner that reduces wear and eliminates 85% of gunk and carbon in the engine, is valued at \$50,000.

A royalty agreement for 40,000,000 tons of coal as mined is valued at zero. The cancelled agreement called for payments of over \$ 100,000,000 over the life of the mine.

The Company has a number of producing wells that are shallow with deep shale possibilities in formations below current production. Humble is receiving offers from companies on a monthly basis to purchase these deep rights.

The Company is participating in drilling and completing its 6th 7th 8th and 9th wells being drilled in Louisiana in the Cotton Valley sand formation. The first four wells came in at 55,000,000 cubic feet per day. Some oil is also produced. They are drilled 10,000 feet down and 9,000 feet across the formation.

The Company held these rights because of the shallow production. The offers vary from \$500 to \$3200 per acre. Management estimates that the Company has 450 net acres in shale plays in Louisiana, Texas, New Mexico, Oklahoma and Kansas. This is a new asset class on the Company Balance Sheet.

Because of cash considerations the Company has traded smaller royalty interests for drilling rights to the wells. However, the Company is participating in 12 horizontal wells in Desoto Parish Louisiana. Two wells in the Haynesville shale with XTO(completed) and 10 in the Cotton Valley Sand Formation with Indigo Energy(see above). Two Horizontal wells are agreed to in Oklahoma.

The Louisiana wells are 150 miles from the Cheniere Port on the Gulf. They will be shipping into markets with high prices for natural gas Asia \$16 per 1000 cubic feet, Europe \$12 and Great Britain \$8. Cheniere will begin shipping LNG in the fourth quarter of this year. On the first Indigo Energy well production averaged \$500,000 per month for the first 6 months.

The value of the stock traded to Humble Petroleum, Inc. for the 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 of \$3,304,357. This argument is further substantiated by asset appraisal of the natural gas assets. At the stated value at cost of \$605,000 the income in 2014 was 23% of value. This is a 8.7 years payout. In 2010 the gross estimated net revenue from the wells was \$2,169,236 discounted at 10%. The price used was \$3.50 per 1000 cubic feet.

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, 2014, the Company had a net loss carry forward for 2014 and a consolidated profit \$28,898 in 2013. The Company made no provision for income taxes payable, if any, in this financial report. The Company has had positive cash-flow from 2012 to date.

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.

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 at fair market value. The value assigned is a significant estimate used in the preparation of these financial statements. The wells have paid out several times since purchase even at depressed natural gas prices. Most of the wells are continuing to produce.

The Company assigned a significant estimate used in the preparation of these financial statements.

Evaluated Company Reserves, oil and natural gas

In 2011, a reserve 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 a 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 2013 at \$112,514 and in June 30, 2016 they were \$858,342. The Company reserves are carried at that companies depleted cost.

The cost of all depletable oil and natural gas assets held by Humble is \$609,342. The excess land and possible deep production held by shallow production is \$249,000.

NOTE 3- EQUITY

Preferred Stock

The Company is authorized to issue 1,000,000 preferred shares at .001 par value. The Company inherited 79,575 shares of preferred stock in the consolidation of the assets of the companies. The December 31, 2013 purchase though available 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. The 8% dividend can be paid in cash or common stock.

Common stock

As of December 30, 2013 the Company had 250,000,000 common shares authorized with a par value of \$.001 per share. There were 25,000,000 shares outstanding as of December 31, 2013. After the purchase there are 25,091,400 shares outstanding. As of June 30, 2014 there were 25,276,000. Now there are 26,111,400.

NOTE 4-RELATED PARTIES

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

NOTE 5-COMMITMENTS

The Company has no commitments other than in the normal course of the oil and gas business.

NOTE 6-GOING CONCERN

The Company 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 65% 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. In 2014 the price rose briefly to \$6.05 per mcf. It is currently above \$2.50 on the August 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. The management is concerned about the move of the price of natural gas sliding below \$ 3.00 per mcf. Oil price declines are also a concern.

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

In the first quarter of 2015 it was discovered that an account outside the Company was short \$76,000. \$5,400 has been repaid and the remainder has been carried on the Company books as a receivable. In the second quarter an ultimatum was issued to pay the balance this quarter. This shortage could not come at a worse time. Resolution of this matter must come soon. The U S is still importing 7,000,000 barrels of oil per day down from 10 million barrels. Humble's main objective was and is to help make the U S energy independent. OPEC's goal is to make us more dependent. Right now they are winning with their low price strategy. Natural gas is a different story because it is difficult to cross oceans with it. The consumer is winning short run. The price of oil and natural gas continues to decline. This is a blessing and a curse. The blessing is that many heavily leveraged companies can't make it and can be bought out or sell production at a reduced price. The curse is that the low prices impair the cash flow of Humble

and it makes it difficult to explain to investors and stockholders why the Company can't perform as projected. Less Cash makes it hard to purchase wells or companies. The Company plans to purchase and participate in drilling additional wells. As it was with the first two purchases, the purchases will be for stock and or cash. The Company buys oil and gas producing properties in areas where shale 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 generally allows companies to shut-in wells while retaining the lease and produce them minimally until the price rises. This is a short term solution.

Humble is interested in three areas besides the Haynesville., The Eagleford shale oil formation in South Texas, the Permian Basin shale in West Texas and the Williston Basin in North Dakota and Montana are the three. Humble has shallow wells now in the Permian Basin in both Texas and New Mexico. The Permian has produced 36 billion barrels of oil and has 4000 feet of pay in at least 7 zones. It is perfect for horizontal drilling. The key is that this produces oil in large quantities. Mid-major oil companies such as Devon have acquired thousands of acres (550,000) of minerals in 23 West Texas Counties. Many of these companies have doubled in value over 2013 and 2014. Thousands of acres have had drilling pads and roads cleared for drilling. Humble plans to participate by our method of buying producing wells and then drill with operators on the deep rights. The Eagleford has 175 feet of pay but fractures well and payback is 24 months or less. The Eagleford and Permian also produces large amounts of natural gas out of the oil pay zones.

Prices of oil has changed the mathematics of the oil and gas industry. Shale production fits the new pattern because the heaviest production occurs in the first 24 months. It also causes oversupply. We are swimming in natural gas.

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 fell to \$2.38, while in April 2012 the price moved to a 10 year low of \$1.82. The company received payments as low as \$1.65. The cost of producing a mcf of natural gas for the Company averages \$4.00. In the fourth quarter of 2009 the highest 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. 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. One cold winter will make reduction in supply. The U S has been running a \$40 Billion deficit or greater as far back as we can remember, much due to oil.

New uses for natural gas as a transportation fuel is gaining favor. 2.5 million barrels of diesel per day are used to power heavy duty trucks. Orders are being placed for large trucks to burn natural gas 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 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 30% 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 but the US ports will be ready for shipping beginning in 2015. This offers some immediate relief for the oversupply. Coal plants are being phased out because of natural gas, cleaner, cheaper and also abundant.

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 a South African company, Sasol is building plants in the U S 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, an international energy company has completed its study for a plant in Louisiana to convert natural gas to oil. They have two plants to convert natural gas to oil in South Africa. Another plant in India will convert coal to oil. Pennzoil recently announced their superior grade oil is being made from natural gas.

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 US natural gas. Europe at \$12 and \$2.50 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 U S will regain its position of manufacturing leader with jobs moving back to the U S. China has cheap labor we have cheap energy to offset it.

Natural gas surpassed coal as the predominant fuel for power plants for the first time in April according to the EIA. Management believes this will continue. Metallurgical coal of the quality owned by Humble should add to the bottom line as steel plants are moving into this region.

Forward looking statements

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: August 3, 2016

/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: August 4., 2016

/s/ Robert L. Cashman

Robert L. Cashman, Chief Financial Officer

