EM ENERGY, INC

(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

FEBRUARY 28. 2015 AND 2014

EM ENERGY, INC

(A DEVELOPMENT STAGE COMPANY)

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EM ENERGY, INC.

(A DEVELOPMENT STAGE COMPANY)

BALANCE SHEETS

	28-Feb-15 (unaudited)	31-May-14 (unaudited)
ASSETS		
Total Assets	$ 0	$ 0
LIABILITIES AND EQUITY(DEFICIT)		
Current Liabilities		
Accrued expenses	$ 2,000	$ 3,000
Notes payable – Stockholders	0	0
Total Current Liabilities	2,000	3,000
Long-Term Liabilities	0	0
Total Liabilities	$ 2,000	$ 3,000
EM Energy, Inc.("RZPK")Stockholders' Equity(Deficit)		
Preferred stock, par value $0.0001; 5,000,000 shares authorized; 0 issued and outstanding at 2/28/15 and 5/31/14	0	0
Common stock, par value $0.0001; 50,000,000 shares authorized; 14,866,283 shares issued and outstanding at 2/28/15 and 14,606,947 shares issued and outstanding 5/31/14.	1,487	1,461
Additional capital in excess of par	456,798	376,030
Deficit accumulated during the development stage	(460,285)	(380,491)
Total Equity(Deficit)	(2,000)	(3,000)
Total Liabilities and Equity(Deficit)	$ 0	$ 0

"See accompanying notes to financial statements."

STATEMENTS OF OPERATIONS
(A DEVELOPMENT STAGE COMPANY)
FOR THE THREE & NINE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

	For the Three Months Ended February 28, 2015 (unaudited)	For the Three Months Ended February 28, 2014 (unaudited)	For the Nine Months Ended February 28, 2015 (unaudited)	For the Nine Months Ended February 28, 2014 (unaudited)
REVENUES	$ 0	$ 0	$ 0	$ 0
OPERATING EXPENSES				
Website expenses	0	0	0	0
Consultancy fees	0	0	0	0
Officer Wages	10,000	90,000	30,000	234,750
General and administrative expenses	32,558	7,652	36,842	17,542
Professional fees	0	7,200	12,952	112,000
TOTAL OPERATING EXPENSES	42,558	104,852	79,794	364,292
NET LOSS FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE)	(42,558)	(104,852)	(79,794)	(364,292)
OTHER INCOME (EXPENSE)				
Interest expense	0	(2,357)	0	(6,754)
NET INCOME(LOSS) BEFORE PROVISION FOR INCOME TAXES	$ (42,558)	$ (107,209)	$ (79,794)	$ (371,046)
PROVISION FOR INCOME TAXES	0	0	0	0
NET LOSS	$ (42,558)	$ (107,209)	$ (79,794)	$ (371,046)
NET LOSS PER SHARE: BASIC AND DILUTED	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.06)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	14,795,354	9,231,865	14,737,723	6,452,452

"See accompanying notes to financial statements."

EM ENERGY, INC
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

	For the Nine Months Ended February 28, 2015 (unaudited)	For the Nine Months Ended February 28, 2014 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (78,794)	$ (371,046)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Stock issued as compensation for services	30,000	384,750
Changes in assets and liabilities:		
(Increase)decrease in prepaid expenses	0	0
Increase (decrease) in accrued expenses	(2,000)	(28,846)
CASH FLOWS USED IN OPERATING ACTIVITIES	(50,794)	(15,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of common stock	0	0
Proceeds from notes payable	50,794	15,142
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	50,794	15,142
NET INCREASE (DECREASE) IN CASH	0	0
Cash, beginning of period	0	0
Cash, end of period	$ 0	$ 0
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 0	$ 0
Income taxes paid	$ 0	$ 0
SUPPLEMENTAL DISCLOSURE OF NON CASH ACTIVITIES:		
Common stock issued for services	$ 30,000	$ 234,750
Common stock exchanged for notes payable	$ 50,794	$ 182,758

"See accompanying notes to financial statements."

EM ENERGY, INC
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AS OF FEBRUARY 28, 2015 AND 2014

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

The Company was originally incorporated in the State of Nevada on August 15, 2002 as Healthguard International Marketing Corp.(the Company). During 2002, Ryozanpaku International Ltd.'s (A Japanese Gaming Company) board of directors acquired voting control over Healthguard International Marketing Corp in a tax free exchange and renamed the Company Ryozanpaku International Inc. for the primary purpose of acquiring and developing gaming properties in northern California. The Company has never attained gaming licensing or gaming operations since its inception. The Company was later taken into receivership on June 21, 2011 by the shareholders to gain management control from Ryozanpaku International Ltd..

On September 20, 2011 the Company made a complete change of its board of directors along with a change in control of the Company by issuing a new control block of common shares. On October 24, 2011 the shareholders approved the name change to EM Energy, Inc. along with a 10 for 1 reverse split in the outstanding common stock of the Company and has refocused its operations from gaming towards opportunities in the energy field within the United States and other potential business plans of operation. The Company has continually been developing its business plans in the development stage as defined under Statement on Financial Accounting Standards No. 7, Development Stage Enterprises ("SFAS No.7") (ASC 915-10).

NOTE 2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

Basis of Presentation

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has adopted a year-end of May 31.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and

NOTE 2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES – (Continued)

the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Use of estimates

In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenues and expenses in the statement of operations. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue when products are fully delivered or services have been provided and collection is reasonably assured.

Advertising Costs

The Company's policy regarding advertising is to expense advertising when incurred. The Company incurred advertising expense of $0 during the periods ended February 28, 2015, and 2014.

Financial Instruments

The carrying value of the Company's financial instruments approximates their fair value because of the short maturity of these instruments.

Fair Value Measurements

For certain financial instruments, including accounts receivable, accounts payable, accrued expenses, interest payable, advances payable and notes payable, the carrying amounts approximate fair value due to their relatively short maturities.

On January 1, 2008, the Company adopted ASC 820-10, *"Fair Value Measurements and Disclosures."* ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company did not identify any non-recurring assets and liabilities that are required to be presented in the balance sheets at fair value in accordance with ASC 815.

NOTE 2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES – (Continued)

In February 2007, the FASB issued ASC 825-10 *"Financial Instruments."* ASC 825-10 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. ASC 825-10 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company has since adopted ASC 825-10.

The carrying amounts of cash and current liabilities approximate fair value due to the short maturity of these items. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price, or interest rate market risks.

Income taxes

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Applicable interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statements of operations.

Basic Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260-10, *"Earnings Per Share."* Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be ant dilutive. Thus, these equivalents are not included in the calculation of diluted loss per share, resulting in basic and diluted loss per share being equal.

NOTE 2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES – (Continued)

		28-Feb-15		28-Feb-14
(A) Net Loss	$	(79,794)	$	(371,046)
(B) Weighted Average Common Shares Outstanding - Basic		14,737,723		6,452,452
Basic income (loss) per share: (A)÷(B)	$	(0.01)	$	(0.06)
Equivalents				
Stock Options		0		0
Warrants		0		0
Convertible notes		0		0
Weighted Average Common Shares Outstanding - Diluted		14,737,723		6,452,452
Basic and diluted (loss) per share*:	$	(0.01)	$	(0.06)
*Diluted loss per share does not include anti diluted equivalents				

The Company incurred Net Loss of $79,794 during the nine months ended February 28, 2015 and based on the Weighted Average Number of Shares Outstanding of 14,737,723 the Basic and diluted (loss) per shares is $(0.01) as per computation above. The Company also incurred Net Loss of $371,046 during the nine months ended February 28, 2014 and based on the Weighted Average Number of Shares Outstanding of 6,452,452 the Basic and diluted (loss) per shares is $(0.06) as per computation above.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents. The Company places its cash with high quality financial institutions and at times may exceed the FDIC insurance limit

Special purpose entities

The Company does not have any off-balance sheet financing activities.

Impairment or Disposal of Long-Lived Assets

The Company follows ASC 360-10, *"Property, Plant, and Equipment,"* which established a *"primary asset"* approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. Through February 28, 2015, the Company had not experienced impairment losses on its long-lived assets.

NOTE 2 – SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES - (Continued)

Stock Based Compensation

Effective January 1, 2006, the Company adopted the fair value recognition provisions of ASC 718 *"Compensation-Stock Compensation,"* using the modified-prospective transition method. Under this method, stock-based compensation expense is recognized in the consolidated financial statements for stock options granted, modified or settled after the adoption date. In accordance with ASC 718, the unamortized portion of options granted prior to the adoption date is recognized into earnings after adoption. Results for prior periods have not been restated, as provided for under the modified-prospective method.

Under ASC 718, stock-based compensation expense recognized is based on the value of the portion of share-based payment awards that are ultimately expected to vest during the period. Based on this, our stock-based compensation is reduced for estimated forfeitures at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option pricing model. Assumptions used in the Black-Scholes models are based upon the following data: (1) The expected life of the option, estimated by considering the contractual term of the option, the vesting period of the option, the employees' expected exercise behavior and the post-vesting employee turnover rate. (2) The expected stock price volatility of the underlying shares over the expected term of the option, based upon historical share price data. (3) The risk free interest rate, based on published U.S. Treasury Department interest rates for the expected terms of the underlying options. (4) Expected dividends, based on historical dividend data and expected future dividend activity. (5) The expected forfeiture rate, based on historical forfeiture activity and assumptions regarding future forfeitures based on the composition of current grantees.

In accordance with ASC 718, the benefits of tax deductions in excess of the compensation cost recognized for options exercised during the period are classified as financing cash inflows rather than operating cash inflows.

The Company did not grant any new employee options and no options were cancelled or exercised during the periods ended February 28, 2015 or 2014. As of February 28, 2015 there were no options outstanding.

Business segments

ASC 280, *"Segment Reporting"* requires use of the *"management approach"* model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has one operating segment as of February 28, 2015 or 2014.

Dividends

The Company has not adopted any policy regarding payment of dividends. No dividends have been paid during any of the periods shown.

Recently issued accounting pronouncements

The Company has implemented all other new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 – GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in an accumulated deficits as of February 28, 2015 and further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with loans from directors and or private placement of common stock.

NOTE 4 – CONVERTIBLE NOTES PAYABLE SHAREHOLDER

As of February 28, 2015 the company did not have any outstanding convertible notes payable. During the nine months the Company issued convertible notes which were both immediately converted into common stock as detailed in note 5 related party transactions. As of February 28, 2015 there were no convertible notes payable outstanding. Terms of the convertible notes include redemption by the holder within 30 days of written notice by the holder of the security to the Company. Interest is to be calculated at a simple yearly rate of 6%. The conversion rate is at $0.25 per share. In the event of a confessed judgment, there is a 15% attorney fee for enforcement if required.

NOTE 5 – RELATED PARTY TRANSACTIONS

As of February 28, 2015 the related parties funded corporate expenses as noted in the convertible notes payable shareholders as described in footnote 4. During prior periods these notes were converted into 7,790,041 shares common stock. During the nine months ended February 28, 2015 $30,000 of stock compensation was paid to related parties through the issuance of 93,571 shares. Additionally during the nine months ended February 28, 2015 $48,794 of corporate expenses was funded by related parties. These debts were converted into an additional 165,765 shares of common stock

NOTE 6 – COMMON STOCK

The authorized capital of the Company is 50,000,000 common shares with a par value of $0.0001 per share, and 5,000,000 preferred shares with a par value of $0.0001 per share. As of February 28, 2015 there are 14,866,283 shares of our common stock outstanding and there are no preferred shares issued and any rights or obligations attached to preferred shares will be determined upon time of issuance.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company neither owns nor leases any real or personal property. An officer has provided office services without charge. There is no obligation for the officer to continue this arrangement. Such costs are immaterial to the financial statements and accordingly are not reflected herein. The officers and directors are involved in other business activities and most likely will become involved in other business activities in the future.

NOTE 8 – INCOME TAXES

February 28, 2015, the Company had net operating loss carry forwards of approximately $460,285 that may be available to reduce future years' taxable income in varying amounts through 2032. In accordance with FASB ASC740 "Income Taxes". future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the deferred tax asset relating to these tax loss carry-forwards.

The provision for Federal income tax consists of the following:

	28-Feb-15	30-Nov-14
Refundable Federal income tax attributable to:		
Current Operations	$ 0	$ 0
Change: valuation allowance	0	0
Net provision for Federal income taxes	$ 0	$ 0

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows:

	28-Feb-15	30-Nov-14
Deferred tax asset attributable to:		
Net operating loss carryover	$ (460,285)	$ (380,491)
NOL valuation	(161,100)	(168,444)
Less: valuation allowance	161,100	168,444
Net deferred tax asset	$ 0	$ 0

Due to the change in ownership provisions of Section 382 of the Internal Revenue Code and Tax Reform Act of 1986, net operating loss carry forwards of $460,285 for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur net operating loss carry forwards may be limited as to use in future years.

NOTE 9 – SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) the Company has analyzed its operations subsequent to November 30, 2014 to the date these financial statements were submitted to the Securities and Exchange Commission and has noted the following subsequent events to disclose in these financial statements.

The Company is investigating legal action to recapture 1,101,712 common shares previously issued in exchange for an interest in a Japanese company whose continued operations or existence cannot be confirmed. There is no value recorded for this investment in these financial statements. These shares were voided and returned to the Company subsequent to our current year end.

John Scrudato CPA
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Board of Directors and Stockholders
EM Energy, Inc.

We have compiled the accompanying statement of financial position of EM Energy, Inc., as of February 28, 2015 and 2014 and the related statements of income, cash flows, stockholders' equity(deficit) for the six months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has incurred significant losses since inception of $460,285 and has a no current working capital. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

John Scrudato CPA

Califon, New Jersey

November 2, 2015