

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Skye Petroleum, Inc.

4771 Sweetwater Blvd. PMB #213

Sugar Land, Texas 77479

Phone: 281-265-1199

Email: Office@SkyePetroleum.com

SIC CODE 1389 Oil & Gas Field Services

Annual Report

For the periods ending December 31, 2023 and 2022 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

249,959,400 shares as of March 29, 2024

249,959,400 shares as of December 31, 2023

249,959,400 shares as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Skye Petroleum, Inc. had its name changed on April 5, 2010. Previously the company was named National Equities Holdings, Inc. The Company was incorporated on November 24, 1987 and the amended and restated certificate of incorporation is being filed pursuant to Sections 242 and 245 of the Delaware General Corporation Law.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Skye Petroleum, Inc. is an active corporation in the state of Delaware.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

4771 Sweetwater Blvd. PMB #213
Sugar Land, Texas 77479

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years? Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below

National Equities Holdings, Inc. filed for bankruptcy in 1999 and it was dismissed by the bankruptcy courts on December 20, 2001.

2) Security Information

Transfer Agent

Securities Transfer Corporation
Phone: 469-633-0101
Email: info@stctransfer.com
2901 Dallas Parkway #380
Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading Symbol: SKPO

Exact title and class of securities outstanding: Common Stock

CUSIP: 83084C 108

Par or stated value: \$0.001

Total shares authorized: 290,000,000 as March 29, 2024

Total shares outstanding: 249,959,400 as of September 30, 2023

Total shares outstanding: 249,959,400 as December 31, 2022

Total number of shareholders of record: 751 as March 29, 2024

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

No dividends have been paid. One voting right per share and no preemption rights_

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Not applicable, no preferred shares issued

3. Describe any other material rights of common or preferred stockholders.

No other material rights

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: x Yes: ☐ (If yes, you must complete the table below)

NONE – THERE HAS BEEN NO CHANGES IS SHARES ISSUED AND OUTSTANDING DURING PAST TWO YEARS.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date: December 31, 2022 Common: 249,959,400 Preferred:0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date: March 29, 2024 Common:249,959,400 Preferred:0									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

NONE

No: ☒

Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcm Markets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Skye Petroleum, Inc. owns ten (10) chemistry's for the treatment of paraffin, asphaltene and sludge in various applications throughout the oil industry. Skye is focused on both selling directly to oil and gas operators who treat their own wells, as well as through distribution channels. Skye Petroleum continues to distribute products through multiple channels in Pennsylvania, Texas and Alabama. Skye's leading technology (Skye Chem Wax Dispersant or WD) is currently serving multiple purposes in the oil patch. Skye Chem WD is a calculated mixture of solvents, penetrants, non-emulsifying surfactants pour point depressants ("PPD") and dispersants. The WD is designed for rapid penetration into the granular areas of paraffin matrix and disrupts the cohesive binding, allowing the waxes to mix with the produced oil, thus allowing the oil to aid in dissolving the wax. The PPD and dispersants keep the wax from re-precipitating from the crude oil.

The first chemistry acts as a wedge between the wax crystals breaking them apart and encouraging them to slide by one another. The second chemistry changes the polarity of the crystals to a like charge which makes them want to stay away from each other. The third is a crystal modifier which distorts the edges of the crystals making it very difficult for them to fit together. The combined action results in much greater flow through the production stream carrying harmful paraffin's out of the well bore maximizing production and reducing maintenance costs and down time.

In the first quarter of 2014, Skye acquired a patented technology for the removal of volatile phosphate from hydrocarbon based fracturing fluids. This will provide more diversification into Skye's product offerings. Skye anticipates partnering in the future with another company for sales and marketing. Skye has also developed a line of drilling and completion fluids with sales occurring in the Commonwealth of Pennsylvania in late 2014 and early 2015.

Due to the drop in the price of oil, sales in the fourth quarter of 2014 and all of 2015-2016 slowed significantly as operators aggressively began cutting expenses and expenditures. Oil producers are forced to decide whether to spend money to treat wells with paraffin problems or let them go dormant until oil prices are high enough to make economic sense.

B. List any subsidiaries, parent company, or affiliated companies.

NONE

C. Describe the issuers' principal products or services.

Offer chemical treatment (paraffin and asphaltenes) services to the oil industry for treatment of their existing oil wells, flow lines, tanks, terminals, pipelines and vessels. Skye primarily sells through distributors in the US, but will sell directly to oil companies when needed. Skye intends to expand sales into international markets when feasible.

Also, the Company intends to distribute drilling and completion fluids into regions Skye is already active. Skye is working to become a full line oil field chemical company, offering fluids in both drilling and completion, along with its current mix of production fluids that can affect the oil industry from upstream to downstream operations.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

NO facilities, property or equipment are currently owned or under lease.

The company has closed its sales office in Sugar Land, Texas and is operating remotely.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer. The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director & Control Person	Affiliation with Company	Residential Address	Number of Shares	Share Class	Ownership Percentage of Class Outstanding
Gary Merritt	Officer/Director Control Person	Sugar Land, TX	15,509,284	Common	6.21%
Jon Laria	Officer/Director	Boca Raton, FL	1,500,000	Common	0.60%
Wentworth "Buck" Eaton, III	Officer/Director	Sugar Land, TX	1,607,169	Common	0.64%
Gerald Weber	Control Person	Sugar Land, TX	69,485,067	Common	27.8%

- (1) Cynthia Kothmann resigned from the Board of Directors on August 7, 2019. There were no disagreements with other Board members.
- (2) Wentworth "Buck" Eaton was added to the Board on August 12, 2021 to replace Cynthia Kothmann. On July 1, 2022 Mr. Eaton became the CEO.

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations):

NONE

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NONE

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NONE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NONE

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NONE

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Securities Counsel:

Morgan E. Petitti, Esq.
118 W. Streetsboro Road, # 317
Hudson, Ohio 44236
330-697-8548
petittilaw@gmail.com

Accountant or Auditor:

Mary B. George, CPA
PO Box 6559
Houston, TX 77265
713-419-0543
Marygeorge777@sbcglobal.net

Investor Relations Consultant:

NONE

All other means of Investor Communication:

NONE

Twitter: Yes
Discord: No
LinkedIn: No
Facebook: No
[Other] None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE

9) Disclosure & Financial Statements

A. Name: Jon Laria
Title: CFO / Director
Relationship to Issuer: CFO / Director

B. The following financial statements were prepared in accordance with:

☐ IFRS

☒ **U.S. GAAP**

C. The following financial statements were prepared by (name of individual)²:

Name: Jon Laria
Title: CFO / Director
Relationship to Issuer: CFO / Director

Describe the qualifications of the person or persons who prepared the financial statements:

Jon Laria is a Licensed CPA in three states Texas, Florida and Ohio. Mr. Laria started his professional career at Arthur Andersen & Co. where he was promoted to Audit manager after 5 years. Mr. Laria left Andersen to become the Financial Reporting manager at Ryder System (R – NYSE). Mr. Laria was previously CFO and Director for Parks America, Inc. (PRKA – OTC)

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the **two previous fiscal years** and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

SKYE PETROLEUM, INC.

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE YEARS ENDED December 31, 2023 and 2022

SKYE PETROLEUM, INC.

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SKYE PETROLEUM, INC.
BALANCE SHEET (Unaudited)
For the years ended December 31, 2023 and 2022

Unaudited

	December 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash	\$44,998	\$55,544
Accounts Receivable	11,645	7,193
Inventory	23,672	14,768
Total Current Assets	<u>80,315</u>	<u>77,505</u>
 Property and Equipment, net	 0	 0
Intangible Assets, net	<u>127,166</u>	<u>215,667</u>
TOTAL ASSETS	<u>\$207,481</u>	<u>\$293,172</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$5,019	\$2,102
Other current liabilities	3,600	4,800
Total Current Liabilities	<u>8,619</u>	<u>6,902</u>
Long-term Debt		
Long – term obligations	0	0
TOTAL LIABILITIES	<u>8,619</u>	<u>6,902</u>
STOCKHOLDERS' EQUITY		
Common stock; 290,000,000 shares authorized, at \$.001 par value; 249,959,400 issued and outstanding	249,959	249,959
Capital in excess of par	13,765,780	13,765,780
Accumulated deficit	(13,816,877)	(13,729,469)
Treasury Stock 30,000,000 shares	0	0
TOTAL STOCKHOLDERS' EQUITY	<u>198,862</u>	<u>286,270</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$207,481</u>	<u>\$293,172</u>

The accompanying notes are an integral part of these financial statements.

SKYE PETROLEUM, INC.
STATEMENTS OF OPERATIONS (Unaudited)
For the years ended December 31, 2023 and 2022

	<u>Unaudited</u>	
	December 31, 2023	December 31, 2022
REVENUE		
Chemical sales	\$48,405	\$17,685
	<u>48,405</u>	<u>17,685</u>
OPERATING EXPENSES		
Chemicals and freight	(35,783)	(13,378)
Selling, general and administrative	(11,606)	(13,352)
Depreciation & amortization	(88,500)	(88,500)
Total Operating Expenses	<u>(135,889)</u>	<u>(115,230)</u>
(LOSS) FROM OPERATIONS	<u>(87,484)</u>	<u>(97,545)</u>
Other income	<u>76</u>	<u>302</u>
PROVISION FOR TAXES	<u>0</u>	<u>0</u>
NET (LOSS)	<u><u>(\$87,408)</u></u>	<u><u>(\$97,243)</u></u>
WEIGHTED SHARES OUTSTANDING	<u><u>249,959,400</u></u>	<u><u>249,959,400</u></u>
NET (LOSS) PER SHARE	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>

The accompanying notes are an integral part of these financial statements.

SKYE PETROLEUM, INC.

STATEMENTS OF STOCKHOLDERS' DEFICIT (Unaudited)

For the years ended December 31, 2023 and December 31, 2022

Unaudited

	Shares Outstanding	Common Stock	Add'l Paid in Capital	Accumulated Deficit	Total Equity
Balance at December 31, 2021	249,959,400	249,959	13,765,780	(13,632,226)	383,513
Net Loss for the year				(97,243)	(97,243)
Balance at December 31, 2022	249,959,400	249,959	13,765,780	(13,729,469)	286,270
Net Loss for the year				(87,408)	(87,408)
Balance at December 31, 2023	249,959,400	249,959	13,765,780	(13,816,877)	198,862

The accompanying notes are an integral part of these financial statements.

SKYE PETROLEUM, INC.

STATEMENTS OF CASH FLOWS (Unaudited)

For the years ended December 31, 2023 and 2022

Unaudited

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Cash Flows from Operating Activities:		
Net loss for the period	\$ (87,408)	\$ (97,243)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation expense and amortization	88,500	88,500
Changes in current assets or liabilities	<u>(11,638)</u>	<u>(50)</u>
Net Cash Used In Operating Activities	<u>(10,546)</u>	<u>(8,793)</u>
 Cash Flows from Investing Activities:		
Proceeds from asset sale	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities	<u>0</u>	<u>0</u>
 Cash Flows from Financing Activities:		
Proceeds from stock sale	<u>0</u>	<u>0</u>
Net Cash Provided By Financing Activities	<u>0</u>	<u>0</u>
 Net Increase (Decrease) in Cash	(10,546)	(8,793)
Cash at beginning of period	<u>55,544</u>	<u>64,337</u>
Cash at end of period	\$ <u><u>44,998</u></u>	<u><u>55,544</u></u>
 Supplemental Cash Flow Information:		
Cash paid for interest	\$ <u><u>0</u></u>	<u><u>0</u></u>
Cash paid for income taxes	\$ <u><u>0</u></u>	<u><u>0</u></u>

The accompanying notes are an integral part of these financial statements.

SKYE PETROLEUM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Skye Petroleum, Inc. is a Delaware corporation. Skye Petroleum, Inc. reported revenues since reestablishing itself during the third quarter of 2011 and therefore is no longer considered a development stage enterprise. It will continue to devote efforts to raising capital resources and other business development opportunities until it becomes self-sustaining. The Company considered December 20, 2001 the inception of the development stage for financial reporting purposes because on that date bankruptcy proceedings were dismissed by the bankruptcy court and the Company began to focus on future activities.

Skye Petroleum, Inc. (the Company) has developed a unique and pro-active approach in dealing with the problem of paraffin buildup that can clog and limit the flow of oil in oil wells and pipelines. Many of today's wells are experiencing flow assurance problems that create costly flow blockages in oil production. Paraffin is a heavy organic produced by petroleum fluids. These paraffin deposits exist in crude oil in various quantities and forms. During the oil production process, paraffin will precipitate or crystallize into solids when temperature or pressure drops. The flow of oil will decrease as a result of blockages in the walls of the tubular and the reservoir surfaces when these heavy solids prevent its designed flow.

This unique chemistry has been proven to be successful in both new completion and production operations for oil wells. This proprietary chemical treatment has been both lab tested and field-tested in oil wells in numerous locations throughout the United States. The results of these tests have led to further chemical sales and distribution in many areas. In the Commonwealth of Pennsylvania, Hoover Oil Field Supply (Clarendon and Bradford) and Bayless Fuel in Titusville have been distributing Skye's primary technology, Skye Chem Wax Dispersant-Ready to Use (WD-RTU), in their stores and have had good reports from local operators. Also, Skye has sold the WD-RTU through several distributors in Alabama, Houston and south Texas. The Companies most successful sales results thus far came in 2014 from using the Skye Chem WD-RTU as a paraffin inhibitor in the fracturing process in the west Texas Permian Basin oil field. The oil industry experienced a drilling downturn in 2015 as oil prices plunged which limited Skye's sales starting in 2015 and subsequent years. We navigated through the pandemic in 2020 and 2021 and have seen some activity picking up in 2022. For the year ended 2022, chemical sales were \$17,987 versus \$1,579 in 2021.

In 2023, we increased Chemical sales to \$48,405 and generated our first increase in working capital.

Sales increased \$30,720 during 2023 versus fiscal year 2022. This was 174% increase in sales from 2022. In 2020 and 2021, the sales decline was primarily related to the global pandemic impact on all activities and overall oil demand. Also one of our major distributors who contributed a significant percentage of our sales in the Pennsylvania and Texas regions was purchased by a larger company. The future sales with this distributor and their customers are uncertain. The distributors believe their customers will start buying our chemicals again but we have little control over the process. Skye has chosen to use independent distributors instead of a direct sales approach in order to keep overhead and operating costs low. We are considering expanding the distributor network without territories or exclusive areas. We are also considering direct sales with compensation based on performance. These changes will require some tough management decisions based on how to best utilize the existing personnel and their skill sets.

SKYE PETROLEUM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has not sold shares since the first quarter of 2015. The Company's net working capital increased for the very first time from operations by \$1,093 to \$71,696 since December 31, 2022, including \$44,998 in cash to fund operations. The Company intends to seek more funding by selling shares to fund operations.

As previously noted in past reports, the market tightened up dramatically since the price of oil dropped precipitously in the fourth quarter of 2014. Drilling and oil production activities have dramatically slowed down in the United States. The Company is putting its efforts into growing sales directly and through distribution companies. Skye has sold Drilling and Completion fluids that it carries in its line in Pennsylvania. Skye Petroleum offers a line of chemical products for most phases of the oil industry at this time. Skye has been aggressively pricing its products to gain market share and increase its presence in the industry.

The Company has experienced a significant slowdown in sales since the fourth quarter of 2014 primarily due to market conditions related to the drop in the price of oil. The industry has experienced significant cost cutting and employee layoffs, along with reduced capital expenditures. This has directly impacted Skye's sales and we took steps to dramatically reduce our costs including laying off all staff. The Company had no payroll in 2023, 2022, 2021, 2020, 2019, 2018 and 2017 and paid commissions when applicable on sales generated. Our sales volumes are related to the oil industry's production and transportation. The oil producers adjust to the price of oil accordingly which affects the entire industry's sales and profit margins.

The Company has weathered this long downturn in the oil industry because we are debt free and had inventory available to sell with no fixed labor cost. We will continue to price our chemicals aggressively to gain market share even if we have to lower gross profit margins.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The Company believes that the disclosures made are adequate to make the information presented not misleading. The information reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the periods set forth herein. All such adjustments are of a normal and recurring nature.

Accounting Method: The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy: The Company has not yet adopted a policy regarding payment of dividends.

Basic and Diluted Net Income (loss) Per Share: Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Basic net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding in each period.

Trade Accounts Receivable: The Company's billing terms are net balance due within 30 days of invoicing.

SKYE PETROLEUM, INC.
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Advertising and Market Development: The Company expenses advertising and marketing costs as incurred.

Revenue Recognition: Skye's primary source of revenue is through chemical sales. Skye sold \$4,800 of chemicals in 2011, followed by \$48,860 in 2012, \$169,028 in 2013, \$818,569 in 2014, \$162,580 in 2015, \$93,396 in 2016, \$264,179 in 2017, \$250,684 in 2018, \$146,925 in 2019, \$18,932 in 2020, \$1,579 in 2021 \$17,685 in 2022 and \$48,405 in 2023.

Income Taxes: The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws is recorded, when it is more likely than not, that such tax benefits will not be realized.

Financial and Concentrations Risk: The Company does not have any concentration or related financial credit risks except for cash and accounts receivable, however, the Company considers the accounts to be fully collectible at the recorded amounts. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Property and Equipment: Property and equipment are stated at cost. Depreciation is computed on the straight line method over the estimated useful lives of the assets, which range from 1 to 10 years. All tangible fixed assets are now fully depreciated down to \$0 book value as of this balance sheet date.

Inventory: Inventory consists of chemicals, and is stated at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventories are reviewed and reconciled quarterly. The Company does not have enough operating history with its proprietary products to effectively gauge the useful shelf life of its product. The Company has not recorded any reserve adjustments in 2023, 2022, 2021 or 2020.

Goodwill: Goodwill is recorded when the purchase price of an acquired business exceeds the fair value of the net assets acquired. Goodwill is not amortized. The Company had no goodwill on its books for either period presented.

Intangible assets: Intangible assets currently include the purchase price for its proprietary process used to treat oil wells. The Company exchanged 30 million shares of its common stock for the intellectual rights for the treatment of oil wells developed by Jim Ryerson in December 2009. The Company valued the stock at \$30,000, or \$0.001 per share and it will amortize the intangible asset over an estimated useful life of 10 years.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

On October 19, 2010, the Company agreed to terms with a privately held Canadian company for the purchase of the chemical formulations and for the process it uses in treating oil wells in exchange for 20 million shares of the Company's common stock. The Company recorded this transaction as a purchase of an intangible asset at a fair market value of \$1,200,000, or \$0.06 per share, the value of the stock at the time of signing the agreement and it is reflected in these financial statements. This intangible is being amortized over a period of ten years.

On September 24, 2013, the Company purchased the chemical formulations for treating asphaltenes in exchange of \$25,000 note and future royalties from sales of this product. The note was paid in full in the fourth quarter of 2013.

In the first quarter of 2014, Skye purchased a patented technology for the removal of volatile phosphates from hydrocarbon based fracturing fluids. Skye paid 200,000 shares of its common stock, worth \$30,000 at closing.

Impairment of Long-Lived Assets: The Company reviews its major assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is considered impaired, then impairment will be recognized in an amount determined by the excess of the carrying amount of the asset over its fair value.

Financial Instruments: The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short-term maturities. Securities that are publicly traded are valued at their fair market value based as of the balance sheet date presented. The Company does not own any financial instruments in the periods presented.

Stock Based Compensation: The Company has not issued stock based compensation in 2022 or 2021. On January 22, 2015, the Company hired Gary Merritt to the position of President and Director of the Company. As part of Mr. Merritt's employment agreement in this Board Resolution, the Company granted Mr. Merritt 2.5 million shares of the Company's common stock on February 19, 2015 with the additional 2.5 million shares earned on December 31, 2015 and paid on March 2, 2016.

Uncertainties – The accompanying financial statements have been prepared on a going concern basis. **The ability of the Company to continue as a going concern during the next twelve months depends on the ability of the Company to generate revenues from operations, to raise more capital or obtain new sources of financing sufficient to sustain operations.** The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

3. INCOME TAXES

The Company has incurred losses since its inception and, therefore, has not been subject to federal income taxes. Since resuming operations in 2009 as Skye Petroleum, Inc., the Company has net operating loss ("NOL") carry forwards of

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approximately \$3.5 million. The prior Company had \$8.3 million of NOL's dating back to 1997 which may have limited value as detailed below.

Under the provisions of Section 382 of the Internal Revenue Code, ownership changes in the Company in 1997 and again in 2001 will severely limit the Company's ability to utilize its NOL carry forward to reduce future taxable income and related tax liabilities. Additionally, because United States tax laws limit the time during which NOL carry forwards may be applied against future taxable income, the Company may be unable to take full advantage of its NOL for federal income tax purposes should the Company generate taxable income.

4. COMMITMENTS AND CONTINGENCIES LEGAL PROCEEDINGS

The Company may be periodically subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, such legal proceedings and claims could materially affect the financial position, results of operations or cash flows of the Company.

5. STOCKHOLDERS' EQUITY

The company began operations under new management on December 2, 2009 and began capitalizing the company through a Private Placement Memorandum Offering (PPM) under the Securities Act Rule 506(b). The company also used a Private Securities Agreement (accredited Investors only) for a short time in 2011 and 2012. On April 4, 2012, the Board of Directors voted to amend the Private Placement Memorandum Offering that was previously used to raise capital by selling restricted shares at .10 per share.

The amendment established the sales price for those shares issued at .05 per share. This required the company to issue a total of 9,547,000 shares to those shareholders. The shares were issued in July 2012. This issuance caused a dilution of 4.84% of the shares outstanding as of the period ending March 31, 2012. Not all investors were "accredited investors" as that term is defined under Regulation D ("Regulation D") of the Securities Act of 1933, as amended (the "Securities Act"). By law, a maximum of 35 "non-accredited" investors are allowed to participate in this offering. The Private Placement was exempt from registration under the Securities Act pursuant to Regulation D. One of the investors was a related party to the CEO. Proceeds from the Private Placement were used to meet projected cash flow requirements during the development stage process. The Company records the issuance of common stock at the time the transaction is completed which is typically the date funds are received. The amount of shares issued and outstanding per transfer agent may vary from the number of shares recorded in these financial statements due to the timing between when shares are sold and when they get reported as issued by the transfer agent.

5. STOCKHOLDERS' EQUITY (continued)

During the first quarter of 2011, the Company amended its Articles of Incorporation authorizing the issuance of up to

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10,000,000 shares with a par value of \$0.01 of Preferred stock and 290,000,000 shares with par value \$0.001 of Common stock.

The Company later filed an Amendment to the first offering with the SEC to issue up to 60 million shares at \$0.05 cents per share. The company will continue to raise funds by issuing restricted shares.

PREFERRED STOCK: The Company's articles of incorporation authorize the issuance of up to 10,000,000 shares of preferred stock, with a par value of \$.01 and other characteristics determined by the Company's board of directors. As of December 31, 2023, there was no preferred stock issued or outstanding.

6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2023 officers, directors, beneficial owners and their related parties own approximately 35% of the outstanding common stock of the Company.

7. GOING CONCERN

The Company has incurred operating losses in its two most recent fiscal years and the most recent quarter, and in the past its operating activities have required financing from related parties. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company believes for us to achieve significant growth to generate positive cash flow from operations will require further outside financing.

8. SUBSEQUENT EVENTS

On July 1, 2022 Wentworth "Buck" Eaton joined Skye Petroleum, Inc. as its new CEO and prior Board Member. Gary Merritt has retired from his daily functions as CEO, but will remain as Chairman of the Board of Directors for Skye Petroleum, Inc. and become Chief Operations Officer. Wentworth Eaton was an original co-founder of Skye Petroleum, Inc. in 2009 after the company re-established and reorganized itself in the oil chemical industry.

The Company has analyzed its operations subsequent to December 31, 2023 through April 1, 2024, the date these financial statements were issued. The company has determined that it does not have any additional material subsequent events to disclose, other than those disclosed above.

End of Financial Statements and Notes

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Buck Eaton, certify that:

1. I have reviewed this Disclosure Statement for Skye Petroleum, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 29, 2024

/s/ Buck Eaton

Buck Eaton,

Title: Chief Executive Officer

Principal Financial Officer:

I, Jon Laria, certify that:

1. I have reviewed this Disclosure Statement for Skye Petroleum, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 29, 2024

/s/ Jon Laria

Jon Laria,

Title: Chief Financial Officer