



Perisson Petroleum Corporation

Consolidated Financial Statements

For the three months ended March 31, 2019 and 2018

(Expressed in CDN dollars)

Consolidated Statements of Financial Position
As at March 31, 2019 and December 31, 2018

<i>(Cdn \$, unaudited)</i>	<i>Note</i>	Mar. 31, 2019	Dec. 31, 2018
ASSETS			
Current assets			
Cash		\$ 73,586	\$ 158,706
Accounts receivable		1,876,275	1,660,144
Prepaid expenses		18,093	12,835
Restricted assets	7	936,155	1,475,692
		2,904,109	3,307,377
Non-current assets			
Property, plant and equipment	8	3,973,764	4,010,801
Exploration and evaluation assets	9	1	1
		\$ 6,877,874	\$ 7,318,179
LIABILITIES AND SHAREHOLDER'S DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 2,713,033	\$ 2,685,840
Interest payable	6	789,409	528,068
Debentures	6	836,426	714,819
Loan payable	6	1,336,300	1,364,200
Asset retirement obligation	10	127,000	127,000
		5,802,168	5,419,927
Non-current liabilities			
Debentures	6	6,020,287	6,221,738
Accrued interest	6	892,152	718,572
Asset retirement obligation	10	3,749,504	3,603,657
		16,464,111	15,963,894
SHAREHOLDERS' DEFICIENCY			
Share capital	11	15,952,610	15,776,393
Share capital - subscriptions received	11	-	176,217
Contributed surplus		16,328,555	16,283,762
Deficit		(45,962,887)	(44,997,076)
Accumulated other comprehensive income		4,095,485	4,114,989
		(9,586,237)	(8,645,715)
		\$ 6,877,874	\$ 7,318,179

Going Concern (Note 3)

Commitments (Note 13)

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

On Behalf of the Board of Directors:

(Signed) "Gary Chen" Director

(Signed) "Wayne Rousch" Director

Consolidated Statement of Loss and Comprehensive Loss
For the three months ended March 31, 2019 and 2018

		Three months ended Mar 31	
(Cdn \$, except per share amounts, unaudited)	Note	2019	2018
Revenues			
Petroleum and natural gas sales, net of royalties	17	\$ 570,816	\$ 611,040
Expenses			
Production costs		391,900	445,761
General and administrative	17	523,744	716,556
Share based compensation	12	44,793	118,133
Finance expense	17	401,652	333,276
Impairment of assets	7	-	-
Depletion and depreciation	8	165,562	192,044
Foreign currency exchange loss		8,976	-
		1,536,627	1,805,770
Net loss		(965,811)	(1,194,730)
Other comprehensive income		(22,150)	119,026
Comprehensive loss		\$ (987,961)	\$ (1,075,704)
Net loss per share \$	11		
Basic & diluted		\$ 0.001	\$ 0.001

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

Consolidated Statements of Cash Flows
For the three months ended March 31, 2019 and 2018

		Three months ended Mar 31	
<i>(Cdn \$, unaudited)</i>	<i>Note</i>	2019	2018
Cash provided by (Used in):			
OPERATING ACTIVITIES			
Net loss		\$ (965,811)	\$ (1,194,730)
Adjustments for items not involving cash:			
General and administrative - withholding tax		9,560	-
Share based compensation	12	44,793	118,133
Accrued expense payable on debentures		434,920	145,180
Finance expense, accretion portion	8	17,403	20,953
Loss on settlement	6	-	-
Bad debt expense	7	-	-
Impairment of assets	7	-	-
Depletion and depreciation	8	165,562	192,044
Unrealized foreign currency exchange loss		(36,807)	(313)
Change in non-cash working capital			
Accrued principal payments on debentures		-	-
Accounts receivable		(216,131)	(215,754)
Prepaid & Other		(5,258)	-
Restricted assets	7	539,537	-
Accounts payable and accrued liabilities		27,193	417,905
Cash provided by (used in) Operating Activities:		14,961	(516,582)
FINANCING			
Debtentures, issued	6	-	-
Debtentures, repayment	6	(100,000)	(85,070)
Loan payable, financing deposit	6	-	-
Share capital issued for cash, net of issue costs	12	(176,217)	-
Subscriptions received		176,217	-
Increase (decrease) in shareholder loan		-	-
Cash provided by (used in) Financing Activities:		(100,000)	(85,070)
INVESTING			
Reduction (addition) in restricted assets	7	-	-
Property, plant and equipment expenditures	8	(81)	(50,382)
Cash used in Investing Activities:		(81)	(50,382)
Impact of foreign exchange on cash and cash equivalents		-	-
Change in cash		\$ (85,120)	\$ (652,034)
Cash, beginning of period		158,706	676,841
Cash, end of period		\$ 73,586	\$ 24,807

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

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2019 and 2018

<i>(Cdn \$, except common shares issued, unaudited)</i>	Common shares issued	Share capital	Subscriptions received	Contributed surplus	Deficit	Accumulated other comprehensive income	Total Deficiency
Balance December 31, 2018	892,906,570	15,776,393	176,217	16,283,762	(44,997,076)	4,114,989	(8,645,715)
Common shares issued, net of costs	-	-	-	-	-	-	-
Options exercised	3,750,000	176,217	(176,217)	-	-	-	-
Share based payments	-	-	-	44,793	-	-	44,793
Net loss and other comprehensive income	-	-	-	-	(965,811)	(19,504)	(985,315)
Balance March 31, 2019	896,656,570	15,952,610	-	16,328,555	(45,962,887)	4,095,485	(9,586,237)

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

Perisson Petroleum Corporation
Notes to the Consolidated Statements
For the three months ended March 31, 2019 and 2018

1. Description of Business

Perisson Petroleum Corporation (the “**Company**”), is incorporated under the *Canada Business Corporations Act*. The Company’s business is the exploration and production of oil and gas in Canada and exploration for oil & gas in the Republic of Colombia (“**Colombia**”). The registered office of the Company is located at 1250, 639 - 5 Avenue S.W., Calgary, AB T2P 0M9.

Common shares of the Company are listed on the TSX Venture Exchange under the symbol “POG”.

2. Basis of Presentation

These condensed interim consolidated financial statements (the “**Statements**”) have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). Certain information and disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS have been condensed or omitted.

The Statements should be read in conjunction with the Company’s audited annual consolidated financial statements as at and for the years ended December 31, 2018 and 2017 and the notes thereto. All accounting policies and methods of computation followed in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year.

The Statements have been prepared on a historical cost basis.

The Statements were approved and authorized for issue by the Board of Directors on June 28, 2019.

The presentation currency of the Statements is the Canadian dollar, which is the same as the Company’s functional currency.

3. Going Concern

The Statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business as they come due. In assessing whether the going concern assumption is appropriate, management is aware of material uncertainties related to events and conditions that lend significant doubt regarding the Company’s ability to continue as a going concern and, accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph.

The Company incurred a net loss of \$965,811 and provided cash in operating activities of \$14,961 for the three months ended March 31, 2019, and has a working capital deficit of \$2,898,059 as at March 31, 2019. The Company must secure sufficient external funding to meet its obligations and commitments as they come due to pay ongoing general and administrative costs. This external funding may be achieved in a number of ways including, but not limited to, the issuance of new debt or equity instruments and the introduction of joint venture partners. While management continues to be successful in securing financing, there can be no assurance it will be able to do so in the future or that these sources of funding or other initiatives will be available for the Company or that they will be

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available on terms which are acceptable to the Company. If management is unable to obtain new external funding, the Company may be unable to continue as a going concern.

These aforementioned circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Statements do not reflect adjustments that would be necessary to the presentation and carrying amounts of assets and liabilities if the going concern assumption were not appropriate. Such adjustments could be material.

4. Significant accounting policies

A) Basis of consolidation

The statements include the accounts of the Company, its subsidiaries Perisson Petroleum Panama Corporation (incorporated in Panama), Morichal Sinoco, SA (incorporated in Venezuela) and the latter's Colombian branch, and Perisson Enterprise Management Consulting (Shenzhen) Co., Limited (incorporated in China) from incorporation date. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated from the date the control ceases. All intercompany transactions, balances, income and expenses, and profits and losses are eliminated on consolidation.

B) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the consolidated statement of comprehensive loss under exchange gain or loss.

Foreign operations

Each subsidiary in the group is measured using the currency of the primary economic environment in which the presentation currency using the closing rate for balance sheet accounts and the period average rate for revenue and expense accounts. Resulting exchange differences arising in the period are recognized in other comprehensive income or loss. The functional of Perisson Petroleum parent, Perisson Petroleum Panama Corporation (incorporated in Panama), Morichal Sinoco, SA (incorporated in Venezuela and Perisson Enterprise Management Consulting (Shenzhen) Co. is the Canadian dollar. The functional currency of Morichal Sinoco, SA's Colombian branch is the Columbian peso, which is determined to be the currency of the primary economic environment in which the subsidiary operates. The reporting currency used in preparation of these consolidated financial statements is the Canadian dollar.

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C) Joint arrangements

Certain of the Company's crude oil and natural gas activities are conducted jointly with others through unincorporated joint operations. The Statements reflect only the Company's proportionate share of the jointly controlled assets and liabilities and proportionate share of related revenues and costs.

D) Cash

Cash consists of cash on hand and term deposits with banks with original maturities of three months or less.

E) Financial instruments

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its cash as a financial asset measured at fair value through profit and loss.

The Company has classified its accounts receivable and restricted assets as a financial asset measured at amortized cost. The Company has classified its accounts payable, debentures and loan payable as financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

F) Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures in Canadian dollars that can be converted into common shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

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The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have a conversion option. The conversion component is initially recognized at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and conversion components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the discounted cash flows. Interest related to the financial liability is recognized in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

G) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

H) Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into a fair value evaluation hierarchy. This hierarchy groups financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

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Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;

Level 2 – Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the assets or liabilities that are not based on observable market data.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's cash is categorized as Level 1.

I) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period in which the transaction occurs.

J) Share based payment transactions

Employees, directors and consultants of the Company receive remuneration in the form of share-based payment transactions for services rendered. Share-based payments are recorded in the consolidated statement of loss for options granted, except for options granted to personnel directly associated with capital activities which are capitalized to property and equipment, with a corresponding amount credited to contributed surplus. Upon exercise of the stock options, the proceeds received are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are also transferred to share capital.

An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of the services rendered by the employee is determined indirectly by reference to the fair value of the equity instruments granted, measured at the grant date, using the Black-Scholes option pricing model, and is amortized over the vesting period using the graded vesting method. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

K) Exploration and evaluation assets

Pre-exploration expenditures

Costs incurred prior to obtaining the legal rights to explore an area are recognized, as incurred, as expenses in the consolidated statement of loss.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include costs associated with the acquisition of a licence interest, expenditures incurred in the process of determining oil and gas exploration targets, exploration drilling costs, trenching and sampling costs and costs associated with evaluating the technical feasibility and commercial viability of mineral resource extraction. Costs are not amortized prior to the conclusion of appraisal activities but are assessed for indicators of impairment at the asset or cash-generating unit ("CGU") level at each reporting date. If

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facts and circumstances suggest the carrying amount of the asset or CGU may exceed its recoverable amount, the recoverable amount is determined at that date (refer to Impairment of non-financial assets).

The exploration and evaluation phase is completed when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. At that point, the related capitalized exploration costs are tested for impairment and classified as oil and gas properties. Where exploration drilling results indicate the presence of hydrocarbons, which are ultimately considered not commercially viable, all related costs are recognized in the consolidated statement of loss.

L) Property, plant and equipment

Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Costs include E&E expenditures incurred in finding commercial reserves transferred from E&E assets, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable costs related to development and production activities, net of any government incentive programs, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Costs incurred subsequent to the commencement of production that are significant are recognized as oil and gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in income as incurred.

When significant parts of an item of property and equipment, including oil and natural gas properties, have different useful lives, they are accounted for as separate items (major components). Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized within the statement of loss.

Depletion and depreciation

The net carrying value of oil and gas properties is depleted using the unit of production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated considering the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. Major development projects are not depleted until production commences.

M) Impairment of non-financial assets

Non-financial assets are reviewed for indicators of impairment at each reporting date. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent of other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. CGUs represent the smallest

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group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An asset's recoverable amount is the higher of fair value, less costs of disposal and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and impairment is recorded in the consolidated statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying amount that would have been determined if no impairment had previously been recognized.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. Fair value less cost of disposal is assessed utilizing market valuation based on an arm's length transaction between active participants. In the absence of any such transactions, fair value less costs of disposal is estimated by discounting the expected after-tax cash flows of the cash generating unit at an after-tax discount rate that reflects the risk of the properties in the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been an objective change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or depletion, if no impairment loss had been recognized.

N) Asset retirement obligation

The Company's activities give rise to dismantling, decommissioning and reclamation requirements. Costs related to these abandonment activities are estimated by management in consultation with the Company's engineers based on risk-adjusted current costs which take into consideration current technology in accordance with existing legislation and industry practices.

Decommissioning obligations are measured at the present value of the best estimate of expenditures required to settle the obligations at the reporting date. When the fair value of the liability is initially measured, the estimated cost, discounted using a risk-free rate, is capitalized by increasing the carrying amount of the related petroleum and natural gas assets. The increase in the provision due to the passage of time, or accretion, is recognized as a finance expense. Increases and decreases due to revisions in the estimated future cash flows are recorded as adjustments to the carrying amount of the related oil and gas assets.

Actual costs incurred upon settlement of the liability are charged against the obligation to the extent that the obligation was previously established. The carrying amount capitalized in petroleum and natural gas assets is depleted in accordance with the Company's depletion policy. The Company reviews the obligation at each reporting date and revisions to the estimated timing of cash flows, discount rates and estimated costs will result in an increase or decrease to the obligations. Any difference between the actual costs incurred upon settlement of the obligation and recorded liability is recognized on the Statement of Income as a gain or loss from abandonment and reclamation expenditures.

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O) Revenue recognition

Revenue associated with the sale of crude oil, natural gas and natural gas liquids owned by the Company is recognized when title passes from the Company to its customers and collectability is reasonably assured. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is usually at the time the product reaches a trucking terminal or pipeline. For natural gas liquids, this is generally at the time the product is processed through a gas plant.

P) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using enacted or substantively enacted tax rates at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be used.

Q) Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments outstanding, except when the effect would be anti-dilutive.

R) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement, which involves assessing whether its fulfillment depends on the use of a specific asset or assets or it conveys a right to use the asset.

The classification of leases as finance or operating leases requires the Company to determine, based on an evaluation of the terms and conditions, whether it retains or acquires the significant risks and rewards or

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ownership of these assets and accordingly, whether the lease requires an asset and liability to be recognized on the consolidated statement of financial position.

S) Business combinations, goodwill and gain on bargain purchase

Business combinations are accounted for using the acquisition method of accounting in which the identifiable assets acquired, liabilities assumed, and any non-controlling interest are recognized and measured at their fair value at the date of acquisition. Any excess of the purchase price plus any non-controlling interest over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price over the fair value of the net assets acquired is credited to net income as a gain on bargain purchase. Transaction costs associated with a business combination are expensed as incurred.

T) New accounting standards adopted

On January 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected-loss” impairment model. The Company has elected to apply the limited exemption in IFRS 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities, and there was no significant impact on the carrying amounts of the Company’s financial instruments at the transition date. The introduction of the new ‘expected credit loss’ impairment model had negligible impact on the Company, given the Company sells its conducts sales with known organizations with no historical level of customer default, and the corresponding receivables from these sales are short-term in nature. The Company currently has no hedging arrangements, and will apply the new accounting requirements under IFRS 9 as required.

The Company’s financial instruments are accounted for and classified as follows under IFRS 9 as compared to the Company’s previous policy in accordance with IAS 39:

January 31, 2018	IAS 39	IFRS 9
Financial Asset		
Cash	Fair value through profit and loss (“FVTPL”)	FVTPL
Accounts receivable	Loans and receivables	Amortized cost
Restricted assets	Loans and receivables	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Other financial liabilities	Other financial liabilities at amortized cost
Debentures and loan payable	Other financial liabilities	Other financial liabilities at amortized cost

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On January 1, 2018, the Company adopted a new accounting standard IFRS 15 – *Revenue from Contracts with Customers*, using the retrospective method of adoption. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customer. The Company generates revenue from sale of oil and gas products with various customers. The Company has reviewed its sources of revenue using the guidance found in IFRS 15 and determined that there are no material changes to the timing and measurement of the Company's revenue from there sources as compared to other standards.

U) Amendments not yet adopted:

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date subsequent to January 1, 2019. Certain of these updates are not relevant to the Company and are therefore not discussed herein.

The following new accounting standards have not been applied in these consolidated financial statements. The standards applicable to Perisson are as follows and will be adopted on their respective effective dates:

IFRS 16, "Leases": In January 2016, the IASB issued the standard to replace IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019. Management is in the process of evaluating the impact the standard will have on the consolidated financial statements and has not completed the determination yet.

5. Significant accounting estimates, assumptions and judgements

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. These judgments and estimates are continually evaluated and are based on management's experience and knowledge of the relevant facts and circumstances, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the consolidated financial statements include the following:

Going concern

The assessment of the Company's ability to execute its strategy by funding working capital requirements and future exploration and production activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 3).

Reserves and depletion

Proved and probable reserves are estimated using independent reserve engineer reports prepared in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and

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which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

Determination of cash generating units

Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company, and grouped the properties into cash generating units on the basis of their ability to create independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure.

Impairment indicators and calculation of impairment

At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. When management judges that circumstances clearly indicate impairment, property, plant and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including details on future commodity prices, expected production volumes, the quantity of reserves, discount rates, as well as future development and operating costs.

Asset retirement obligation

At the end of the operating life of the Company's facilities and properties and upon the retirement of its petroleum and natural gas assets, decommissioning costs will be incurred by the Company. This requires judgment regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and discount rates to determine the present value of these cash flows.

Share-based compensation

Significant assumptions with respect to share-based payment amounts include an estimate of the volatility of the Company's shares, forfeiture rates and the expected life of the options, which are subject to measurement uncertainty.

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Measurement of the fair value of liability component in convertible debentures

Convertible debentures are divided into a liability and an equity component to reflect the value of the equity conversion feature separate from the debt instrument. The liability component is recognized initially at the fair value of a similar liability not containing an equity conversion option, and the equity component is recognized as the difference between the total fair value of the convertible debenture and the fair value of the liability component. An estimate is made by the Company to determine the interest rate to use for the liability instrument without a conversion feature.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of exploration and evaluation assets and petroleum and natural gas assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

Recognition of deferred taxes

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax laws differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Management continually evaluates the likelihood that it is probable that its deferred tax assets will be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

6. Debentures, convertible debentures, and loan payable

Debentures

The following table summarizes changes in the debentures balance for the period ended March 31, 2019 and December 31, 2018.

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Debentures	Three months ended Mar 31	Year Ended December 31
	2019	2018
Debentures outstanding, long-term, beginning of year	\$ 6,936,557	\$ 6,742,375
Repayment of debentures (a)	(100,000)	(85,070)
Accrued debenture payments (a)	20,156	279,252
	6,856,713	6,936,557
Less: current portion	(836,426)	(714,819)
Debentures outstanding, long-term, end of period	\$ 6,020,287	\$ 6,221,738

Upon recognition of these convertible debentures in fiscal 2017, the total value of the debentures was allocated to liability as the estimated fair value of the liability was equal to the face value of the convertible debentures.

a) In February 2017, the Company issued a non-convertible debenture for gross proceeds of \$4,000,000. The debt is secured by the Company's interest in the Twining oil and gas assets of the Company. The terms of the debenture are as follows:

- Debenture matures on February 1, 2024
- Monthly installments of \$84,000 applied first to interest and then to principal
- Interest at 1.5% per month
- The principal is repaid monthly over the 84-month term
- The Company can repay the debentures after February 1, 2021, at face value plus any accrued and unpaid interest
- The company must maintain a positive working capital position defined as total current assets less total current liabilities

The Company has missed twelve months of payments, and the debenture was in default at March 31, 2019. The Company has accrued for the additional interest charges on unpaid amounts calculated at 2% per month according with the terms of the agreement. The Company and the debenture holder agreed that the outstanding payments are to be made in fiscal 2019 once the Company completes an equity financing.

b) During 2017, the Company issued convertible debentures as part of a bridge financing. The terms of the debentures are as follows:

- Debentures mature on January 3, 2020
- Total principal value is \$3,000,000
- Interest at 1.5% per month, paid at maturity
- Principal paid at maturity
- After January 3, 2018, the principal can be converted at the option of the debenture holder to common shares of the Company at \$0.05 per share. The debenture holder can elect to receive outstanding interest converted to common shares or as a cash settlement.
- The Company can elect to repay the debentures at face value plus any accrued and unpaid interest at any time. If so elected, the debenture holder can still choose to convert.

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Loan payable

In December 2018, the Company received a short term loan of USD \$1,000,000 which represents a deposit for then equity financing that the Company is undertaking. The deposit is due on demand and has no interest or maturity date. The loan was initially recorded at \$1,345,000. The Company recognized an unrealized foreign exchange gain during the year ended March 31, 2019 of \$27,900 resulting in the ending balance of loan payable of \$1,336,300 at December 31, 2018. The deposit received is recorded as restricted cash because its use requires the joint approval of the Company and the lender.

7. Restricted assets, loss on settlement and bad debt expenses

a) Pursuant to the contract for exploration and production ("**VMM-17 Contract**") with the National Hydrocarbons Agency of Colombia ("**ANH**"), the Colombian branch is required to present a letter of credit in the amount of USD \$420,000 (2016 – USD \$1,091,739) in order to guarantee compliance with the exploration terms of the licence (see Note 14). ANH called the letter of credit in October 2017 and maintains the funds. As a result of the uncertainty concerning the ultimate recovery of these funds, the Company wrote down the restricted assets to nil at December 31, 2017, resulting in an impairment expense of \$529,519 for the year ended December 31, 2017.

b) On December 5, 2017, the Company agreed to pay \$250,000 to the Court Appointed Receiver (the "Receiver") of Forent Energy Ltd. ("Forent") for outstanding management fees and has deposited this amount as a restricted asset with its legal representatives. In return, the Receiver agreed to transfer the Company's oil & gas properties held by Forent and all income from the properties since the Forent receivership process began on May 5, 2017. Related to this agreement, the Company wrote down its net accounts receivable position with Forent, calculated at the date of receivership, resulting in a bad debt expense of \$499,521 for the year ended December 31, 2017. At December 31, 2018, the amount held on deposit was reduced by \$150,000 to reflect net operating revenues being held by the Receiver owed to Perisson. The amount of restricted funds on deposit at the end of 2018 was \$100,000 (\$250,000 -2017). During the year ended December 31, 2018, the Company received an offer from the Receiver for the settlement of the outstanding claim and has adjusted the amounts receivable and payable to the Receiver in accordance with the offer received. As a result, the Company recognized a loss on settlement of \$168,160 related to the Forent receivership process in 2018. As at June 27, 2019 the case has not been finally settled and while the Company is aware of the potential costs of settlement the amounts have not been accrued because the amounts are expected to be immaterial.

Included in accounts receivable at December 31, 2018 is \$958,168 in accounts receivable from the Receiver (December 31, 2017 - \$454,205). Included in accounts payable at December 31, 2018 is \$995,042 in accounts payable to the Receiver (December 31, 2017 - \$587,644). The amounts of the receivable and payable are expected to be settled in 2019.

c) During the year ended December 31, 2018, the Company recognized a bad debt in the amount of \$642,672 (2017 - \$Nil) in relation to accounts receivable due from a debenture holder which has not been collected yet and there uncertainty over collectability of this amount.

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8. Property, plant and equipment

Cost:	Oil & gas properties	Leasehold improvements	Field equipment	Total
Balance, December 31, 2018	\$ 6,131,292	\$ 39,047	\$ 4,768	\$ 6,175,107
Additions	81	-	-	81
Changes in ARO (note 10)	128,444	-	-	128,444
Balance, Mar. 31, 2019	\$ 6,259,817	\$ 39,047	\$ 4,768	\$ 6,303,632
Balance, December 31, 2018	\$ 2,148,137	\$ 11,401	\$ 4,768	\$ 2,164,306
Depletion and depreciation	164,180	1,382	-	165,562
Balance, Mar. 31, 2019	\$ 2,312,317	\$ 12,783	\$ 4,768	\$ 2,329,868
Net carrying value:				
Balance, December 31, 2018	\$ 3,983,155	\$ 27,646	\$ -	\$ 4,010,801
Balance, Mar. 31, 2019	\$ 3,947,500	\$ 26,264	\$ -	\$ 3,973,764

9. Intangible exploration and evaluation assets

Capitalized expenditures relating to exploration and evaluation activities comprise the following:

Net book value at March 31, 2019 and December 31, 2018 1

The exploration and evaluation costs relate solely to the VMM-17 Contract which consists of 39,927 hectares located within the Magdalena Valley Basin in the centre of Colombia. The Company's commitments related to intangible exploration and evaluation assets under the contract are disclosed in Note 14.

10. Asset retirement obligation

Asset retirement obligations ("ARO") are based on the Company's net ownership in wells and facilities, and management's best estimate of future costs to abandon and reclaim those wells and facilities as well as an estimate of the future timing of the costs to be incurred.

The Company has estimated the present value of its total decommissioning provision to be \$3.9 million at March 31, 2019 (December 31, 2018 – \$3.7 million), based on a total future undiscounted liability of \$5.3 million (December 31, 2018 – \$5.4 Million). Payments to settle the obligations occur over the operating lives of the underlying assets and are estimated to be incurred primarily from 5 to 18 years. The risk-free rate used to calculate the present value of the decommissioning liability used average rates of 1.43% to 1.84% (2018 – 1.93% to 2.15%). The estimated inflation rate was 2.00% (2017 – 2%).

Asset retirement obligations shown as current on the Company's statement of financial position reflect the current ARO plans for the next year.

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	Three months ended Mar. 31, 2019	Year ended Dec. 31, 2018
Changes to the decommissioning provision are:		
ARO, beginning of year	\$ 3,730,657	\$ 3,962,643
Liabilities acquired from acquisitions (note 8)	-	-
Effect of change in risk free rate	-	29,474
Revisions in estimated cash outflows	128,444	(341,781)
Accretion expense	17,403	80,321
ARO, end of year	\$ 3,876,504	\$ 3,730,657

11. Share capital

In January 2018, the Company completed a 1:10 stock split of its common shares. All references to common shares and per share amounts for all periods in these consolidated financial statements reflect this stock split.

Authorized:

- Unlimited number of common shares without par value
- Unlimited number of first-ranking preferred shares, Series A, non-voting, non-participating, convertible into common shares, without par value
- Unlimited number of second-ranking preferred shares, terms to be determined by management

Net earnings (loss) per share amounts:

Net earnings (loss) per share	Three months ended Mar 31	
	2019	2018
Net loss - basic and diluted \$	\$ (965,811)	\$(1,194,730)
Basic weighted average shares	896,031,570	867,905,570
Diluted weighted average shares	896,031,570	867,905,570
Net loss per share \$ Basic & diluted	\$ 0.001	\$ 0.001

As a result of the net loss incurred in all periods presented, all potentially dilutive securities were anti-dilutive.

In April 2018, the Company completed a \$1,000,000 private placement issuing 20,000,000 common shares at a price of \$0.05 per common share. In September 2018 and in December 2018, a total of 8,750,000 stock options were exercised for \$368,684 resulting in the issuance of 5,000,000 common shares in 2018 and 3,750,000 common shares issued in January 2019.

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12. Share based compensation

In January 2018, the Company completed a 1:10 stock split of its common shares. All references to stock options in these consolidated financial statements reflect this stock split.

The Company maintains an option plan, which provides that the Board of Directors may, from time to time, in its discretion, grant to directors, officers, employees and consultants, non-transferable options to purchase common shares of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options granted pursuant to the Share Option Plan have a term not to exceed five years and vest 1/4 on the grant date and then 1/4 on the first, second and third anniversaries of the grant date.

At March 31, 2019, 74,207,300 (December 31, 2018 – 74,207,300) stock options were issued and outstanding summarized in the table below.

	Mar. 31, 2019		Dec. 31, 2018	
	Weighted Average		Weighted Average	
Stock Options	Options	Exercise Price	Options	Exercise Price
Outstanding, beginning of year	74,207,300	\$ 0.031	82,957,300	\$ 0.031
Granted	-	\$ -	-	\$ -
Exercised	-	\$ -	(8,750,000)	\$ 0.042
Expired or forfeited	-	\$ -	-	\$ -
Outstanding, end of period	74,207,300	\$ 0.030	74,207,300	\$ 0.031
Options exercisable, end of period	71,707,300	\$ 0.030	62,957,300	\$ 0.028

	Weighted Ave	Outstanding	Remaining	Exercisable
Exercise price	Strike Price	March 31, 2019	(years)	March 31, 2019
\$0.013	\$ 0.013	34,207,300	1.5	34,207,300
\$0.025	\$ 0.025	5,000,000	3.5	2,500,000
\$0.047	\$ 0.047	35,000,000	2.7	35,000,000
	\$ 0.030	74,207,300	2.2	71,707,300

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with assumptions as follows:

							Weighted Average
	Risk Free Interest	Expected	Expected	Expected	Share Price on	Exercise Price on	Future Value
	Rate (%)	Life (Years)	Forfeitures	Volatility	Grant Date	Grant Date	Per Option
2017	1.81%	5.0	0.00%	2.83	\$ 0.018	\$ 0.03	\$ 0.018

The Company accounts for its options granted using the fair value method whereby costs have been recognized for share options granted, resulting in share based compensation expense for the three months ended December 31, 2018, of \$44,793 (2018 – \$455,018). Volatility is calculated as the degree of variation of the common share closing prices over the year as measured by the standard deviation of logarithmic returns.

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13. Commitments

Colombian Concession obligations

Pursuant to the VMM-17 Contract, the Company is committed to carrying out a minimum amount of exploration and evaluation work on its properties. The VMM-17 Contract is currently in the exploration phase, which has a six-year term beginning at the date of execution. The exploration term of the VMM-17 Contract combined two phases (Phase 1 and Phase 2) with a duration of 72 months in total, which was extended to September 17, 2017. An additional extension has been granted by the regulator to March 2020.

All Phase 1 work has been completed: (i) acquisition, processing and interpretation of 80 KM 2D seismic activities and (ii) acquisition, processing and interpretation of 23 KM 2D seismic activities. The work remaining is the drilling of one slim hole test well and three A3 exploratory wells (USD \$1,800,000).

Environmental assessment study

The Company has contractual financial obligations to a Colombian engineering firm which prepared an environmental assessment study. Under the terms of the contract, certain amounts are payable as specific milestones outlined in the agreement are met. Approximately \$129,350 (2016 - \$136,000) will be payable by the Company if an environmental and related drilling license is granted on the VMM-17 land block.

14. Capital management

The Company defines capital as equity, which was a deficit of \$9,586,237 as at March 31, 2019 (December 31, 2018 – a deficit of \$8,645,715).

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to develop its exploration and evaluation projects, ensure sufficient capital to meet short-term business requirements, carry out its capital expenditures program and field operations and provide returns to its shareholders.

There were no significant changes in the Company's approach to capital management during the three months ended March 31, 2019. Other than as outlined in note 13, the Company does not have any externally imposed capital requirements or regulatory or contractual requirements to which it is subject except a covenant in a debenture agreement to maintain a positive working capital position.

15. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's general risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as currency and interest rates.

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Currency risk

Currency risk arises when future recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company does not hedge foreign currency exposures.

The Company operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the Colombian peso. Currency risk arises on recognized assets and liabilities, principally cash, restricted assets and accounts payable.

The carrying amounts of the Company's significant foreign-currency-denominated financial assets and financial liabilities as follows:

FX Exposure to PESOS	March 31, 2019	Dec 31, 2018
Cash	2,508,899	21,364,436
AP and Accrued liabilities	(146,891,681)	(121,321,029)
NET exposure	(144,382,782)	(99,956,593)
rate	2,388.7409	2,380.0830
CAD equivalent	(60,443)	(41,997)
10% variance	6,716	4,666

Assuming that all other variables are constant, a variation of 10% in the Colombian peso exchange rate would generate an impact of \$6,716 on net loss for the three month period (2018 – \$4,666).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's current policy is to invest excess cash in certificates of deposit of major Canadian chartered banks. The Company does not consider there to be significant exposure to interest rate risk related to cash or restricted assets due to their short-term nature. The Company's issued debentures are fixed rate financial instruments and therefore are not subject to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, restricted assets and accounts receivable. The Company limits its exposure to credit loss by depositing its cash and restricted assets with Canadian financial institutions with credit ratings of A+. The Company has limited exposure to credit risk related to its receivables due from Canadian provincial and federal governments of approximately \$148,452 (2018 – \$175,521). Additional receivable amounts relate to normal oil & gas operations.

As at March 31, 2019, \$1,329,993 of the Company's trade receivables are considered past due (more than 31 days old), of this amount \$Nil has been collected subsequent to year end, and has \$958,168 in accounts payable with the same corporation (Note 7). The remaining balance is expected to be fully collected.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking harm to its reputation.

At March 31, 2019, the Company has a working capital deficit of \$2,898,059 and requires additional financing to meet its short-term obligations.

The Company endeavours to have sufficient working capital available to meet its day-to-day obligations and outstanding commitments, Note 14. Due to the working capital deficit, management estimates that funds available will not be adequate to meet the Company's requirements and budgeted expenditures through December 31, 2019 (Note 3).

Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, further expenditure reductions and/or the introduction of joint venture partners and/or business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to continue to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

16. Supplemental information

Expenses by nature:

Netbacks	Three months ended Mar 31	
	2019	2018
Revenue		
Oil	\$ 525,448	\$ 592,807
Natural gas	62,660	60,958
Revenue	588,108	653,765
Royalty expense	(17,292)	(42,725)
Revenue, net of royalty	570,816	611,040
Operating expense	(391,900)	(445,761)
Netbacks	\$ 178,916	\$ 165,279

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Finance expense	Three months ended Mar 31	
	2019	2018
Interest expense	\$ 384,249	\$ 312,323
Interest revenue	-	-
Accretion of debentures	-	-
Accretion of ARO	17,403	20,953
Total	\$ 401,652	\$ 333,276

General & administrative expense	Three months ended Mar 31	
	2019	2018
Salaries	\$ 152,310	\$ 155,114
Management fees	-	67,500
Professional and consulting fees	111,595	161,404
Accommodation and travel	165,410	193,435
Listing fees	42,640	79,067
Office and general	51,789	60,036
Total	\$ 523,744	\$ 716,556

17. Subsequent events

On April 24, 2019, the Company announced the issuance of 10,000,000 stock options with an exercise price of \$0.20 per stock option to an officer of the Company.