DUALEX ENERGY INTERNATIONAL INC.

Interim Financial Statements

For the three and six months ended
June 30, 2015

Notice of No Auditor Review of Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed consolidated interim financial statements as at and for the three months and six months ended June 30, 2015.

DUALEX ENERGY INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(UNAUDITED, expressed in Canadian dollars)

ASSETS	As at	
	June 30, 2015	December 31, 2014
CURRENT		
Cash	$ 223,856	$ 928,640
Accounts receivable, net (note 3)	125,590	137,842
Prepaid expenses and deposits	91,947	53,456
	441,393	1,119,938
EXPLORATION AND EVALUATION ASSETS (note 5)	42,052	42,888
PROPERTY, PLANT AND EQUIPMENT (note 6)	8,393	49,341
	$ 491,838	$ 1,212,167

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2015	December 31, 2014
CURRENT		
Accounts payable and accrued liabilities	$ 316,263	$ 557,696
Decommissioning liabilities	-	119,027
	316,263	676,723
DECOMMISSIONING LIABILITIES	45,566	44,490
	361,829	721,213
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 7)	25,737,888	25,737,888
WARRANTS AND AGENT OPTIONS	-	715,325
CONTRIBUTED SURPLUS	4,848,189	4,084,844
ACCUMULATED OTHER COMPREHENSIVE INCOME	338,733	318,117
DEFICIT	(30,794,801)	(30,365,220)
	130,009	490,954
	$ 491,838	$ 1,212,167

Going concern (note 2)
Commitments (note 8)

See accompanying notes

DUALEX ENERGY INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED, expressed in Canadian dollars)

	Number of shares	Share Capital	Warrants and Agent Options	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance December 31, 2013	107,937,243	$ 24,971,027	$ 404,249	$ 4,033,245	$ 48,853	$ (24,364,375)	$ 5,092,999
Exercise of warrants and agent options	583,396	118,921	(16,412)	-	-	-	102,509
Equity financing	5,384,300	620,587	330,721				951,308
Stock based compensation		-	-	10,577	-	-	10,577
Comprehensive loss for the period		-	-	-	(8,278)	(562,520)	(570,798)
Balance June 30, 2014	113,904,939	25,710,535	718,558	4,043,822	40,575	(24,926,895)	5,586,595
Exercise of warrants and agent options	134,000	27,353	(3,233)	-	-	-	24,120
Stock based compensation		-	-	41,022	-	-	41,022
Comprehensive income (loss) for the period		-	-	-	277,542	(5,438,325)	(5,160,783)
Balance December 31, 2014	114,038,939	25,737,888	715,325	4,084,844	318,117	(30,365,220)	490,954
Expiration of warrants and agent options		-	(715,325)	715,325	-	-	-
Stock based compensation		-	-	48,020	-	-	48,020
Comprehensive income (loss) for the period		-	-	-	20,616	(429,581)	(408,965)
Balance June 30, 2015	114,038,939	$ 25,737,888	$ -	$ 4,848,189	$ 338,733	$ (30,794,801)	$ 130,009

See accompanying notes

DUALEX ENERGY INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30
(UNAUDITED, expressed in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
REVENUE				
Petroleum and natural gas sales	$ 8,770	$ 13,938	$ 18,591	$ 27,058
Royalties	(810)	(1,515)	(1,659)	(2,673)
Interest and other	62	1,011	218	2,285
	8,022	13,434	17,150	26,670
EXPENSES				
Operating costs	19,280	7,184	25,134	14,064
General and administrative	128,683	263,291	323,737	516,816
Stock based compensation	23,829	5,017	48,020	10,577
Depletion and depreciation	1,582	1,431	3,485	2,944
Bad debt expense	-	-	44,091	-
Accretion of decommissioning liabilities	158	342	273	685
Foreign exchange (gain) loss	(2,024)	1,364	4,261	32
	171,508	278,629	449,001	545,118
LOSS FROM CONTINUING OPERATIONS BEFORE TAXES	(163,486)	(265,195)	(431,851)	(518,448)
Current taxes	-	390	-	780
LOSS FROM CONTINUING OPERATIONS	(163,486)	(265,585)	(431,851)	(519,228)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS (note 4b)	(56,808)	(10,313)	2,270	(43,292)
LOSS	$ (220,294)	$ (275,898)	$ (429,581)	$ (562,520)
LOSS PER SHARE				
Basic and diluted				
Loss per share from continuing operations	$ -	$ -	$ -	$ -
Net income (Loss) per share from discontinued operations	-	-	-	-
Loss per share	$ -	$ -	$ -	$ -

See accompanying notes

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30
(UNAUDITED, expressed in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
LOSS	$ (220,294)	$ (275,898)	$ (429,581)	$ (562,520)
Other comprehensive income to be reclassified to income in subsequent periods				
Foreign currency translation adjustment	(1,757)	151,368	2,665	(8,278)
Transfer of accumulated foreign currency loss to net income (note 4b)	17,951	-	17,951	-
COMPREHENSIVE LOSS	$ (222,051)	$ (124,530)	$ (408,965)	$ (570,798)

See accompanying notes

DUALEX ENERGY INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
(UNAUDITED, expressed in Canadian dollars)

	2015	2014
OPERATING ACTIVITIES		
Loss from continuing operations	$ (431,851)	$ (519,228)
Add items not requiring cash		
Depletion and depreciation	3,485	2,709
Bad debt expense	44,091	-
Accretion of decommissioning liabilities	273	685
Stock based compensation	48,020	10,577
Unrealized foreign exchange loss	5,817	39,108
Funds flow from operations	(330,165)	(466,149)
Settlement of decommissioning liabilities	(16,970)	-
Change in non-cash working capital items	(164,550)	(100,688)
Cashflow used in continuing operations	(511,685)	(566,837)
Cashflow from (used in) discontinued operations (note 4c)	(214,549)	198,152
Cashflow used in operations	(726,234)	(368,685)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	(227,914)
Change in non-cash working capital items	(45,825)	281,997
Proceeds from sale (note 4b)	48,689	-
Cashflow from (used in) continuing investing activities	2,864	54,083
Cashflow from discontinued investing activities (note 4c)	16,873	-
Cashflow from (used in) investing activities	19,737	54,083
FINANCING ACTIVITIES		
Proceeds from equity financings, net	-	951,308
Proceeds from the exercise of warrants	-	90,000
Proceeds from the exercise of agent options	-	12,509
Cashflow from continuing financing activities	-	1,053,817
Foreign exchange gain (loss) on cash held in a foreign currency	1,713	(48,976)
INCREASE (DECREASE) IN CASH	(704,784)	690,239
CASH, BEGINNING OF PERIOD	928,640	2,252,188
CASH, END OF PERIOD	$ 223,856	$ 2,942,427

See accompanying notes

1. GENERAL INFORMATION

DualEx Energy International Inc. ("DualEx", the "Company" or the "Group") is engaged in the exploration for and development and production of petroleum and natural gas properties internationally, with primary focus in Tunisia. The Company currently holds working interests in Tunisia and North America. DualEx's shares are widely held and publicly traded on the TSX Venture Exchange under the symbol "DXE". The Company was incorporated under the Alberta Business Corporations Act on March 20, 2006 and is domiciled in Calgary, Canada. The Company's head office is located at Suite 1010, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4. The registered office of the Company is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1.

2. BASIS OF PREPARATION

a) Statement of compliance

These Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2015 (the "Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* following accounting policies in accordance with International Financial Reporting Standards ("IFRS"). The Financial Statements do not include all of the information required for annual financial statements and should be read in conjunction with the Audited Consolidated Financial Statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS.

b) Going concern

The Financial Statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. For the six months ended June 30, 2015, the Company reported a net loss of $0.4 million. At June 30, 2015, the Company has working capital of $0.1 million and no debt. The Company's ability to continue as a going concern is dependent on the ability to carry out some form or financing, farmout or other transaction.

The above factors result in a material uncertainty which casts significant doubt upon the Company's ability to continue as a going concern. If the going concern basis of accounting is no longer appropriate, adjustments may be necessary to the carrying amounts and classification of the Company's assets and liabilities. The Financial Statements do not include any adjustments that might result if the Company is unable to continue as a going concern, and such adjustments could be material.

c) Significant accounting policies

The accounting policies adopted in the Financial Statements are consistent with those described in Note 3 of the Audited Consolidated Financial Statements for the year ended December 31, 2014.

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

3. ACCOUNTS RECEIVABLE

	As at	
	June 30, 2015	December 31, 2014
Accounts receivable	$ 220,531	$ 189,934
Allowance for doubtful receivables	(94,941)	(52,092)
Accounts receivables, net	$ 125,590	$ 137,842

As at June 30, 2015, the Company has recognized an allowance for doubtful receivables of $94,941 ($52,092 – December 31, 2014) against all receivables based on an account by account assessment considering prior credit history and knowledge of the debtor.

4. DISCONTINUED OPERATIONS

Operating results related to discontinued operations have been included in net income (loss) from discontinued operations on the condensed consolidated interim statements of loss. Comparative period balances have been restated.

a) Net income (loss) from discontinued operations reported on the condensed consolidated interim statements of loss is comprised of the following:

	Hungary			
	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
REVENUE				
Petroleum and natural gas sales	$ 4,392	$ 240,435	$ 95,969	$ 623,272
Royalties	(456)	(48,300)	(7,683)	(127,731)
Interest and other	12	13	33	37
	3,948	192,148	88,319	495,578
EXPENSES				
Operating costs	23,769	87,233	10,736	240,264
General and administrative	6,415	45,237	49,215	91,300
Depletion and depreciation	125	62,841	3,755	164,276
Accretion of decommissioning liabilities	83	513	209	1,025
Foreign exchange (gain) loss	4,395	(1,135)	(4,109)	8,351
	34,787	194,689	59,806	505,216
Net income (loss) from discontinued operations before taxes and other	(30,839)	(2,541)	28,513	(9,638)
Taxes	(180)	(7,772)	(454)	(33,654)
Net income (loss) from discontinued operations before other	(31,019)	(10,313)	28,059	(43,292)
OTHER				
Loss on disposition (note 4b)	(7,838)	-	(7,838)	-
Cumulative foreign exchange loss	(17,951)	-	(17,951)	-
Net income (loss) from discontinued operations	$ (56,808)	$ (10,313)	$ 2,270	$ (43,292)

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

4. DISCONTINUED OPERATIONS (continued)

b) In June the Company sold its 70% shareholder interest in Hungary. The Company received proceeds of $48,689 (35,000 Euros) and recorded a loss on disposition of $7,838 calculated as follows:

Value of asets less liabilities at time of sale:		
Cash	$	194,629
Accounts receivable		6,521
Property, plant and equipment, net		17,904
Accounts payable and accrued liabilities		(60,580)
Decommissioning liabilities		(101,947)
Net value of assets less liabilities disposed		56,527
Proceeds received		48,689
Loss on disposition	$	7,838

c) Cash flow from discontinued operations

	For the six months ended June 30,			
	2015		2014	
DISCONTINUED OPERATIONS				
Net Income (Loss) from discontinued operations	$	28,059	$	(43,292)
Add items not requiring cash				
Depletion and depreciation		3,755		164,511
Accretion of decommissioning liabilities		209		1,025
Unrealized foreign exchange gain		(4,313)		(2,893)
Funds flow from discontinued operations		27,710		119,351
Change in non-cash working capital items		(242,259)		78,801
Cashflow from (used in) discontinued operations	$	(214,549)	$	198,152
DISCONTINUED INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	$	16,873	$	-
Cashflow from discontinued investing activities	$	16,873	$	-

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS

All of the Company's exploration and evaluation assets are from its onshore Tunisian Bouhajla Exploration Permit (the "Permit").

	Tunisia
Balance at December 31, 2014	$ 42,888
Foreign exchange loss	(836)
Balance at June 30, 2015	$ 42,052

During the six months ended June 30, 2015, the Company's 47.5% interest partner forfeited its interest in the Permit. As a result, DualEx now owns 100% contractor interest in the Permit.

6. PROPERTY, PLANT AND EQUIPMENT

	Hungary	North America	Equipment and furniture	Total
Cost				
Balance December 31, 2014	$ 3,201,584	$ 36,210	$ 20,465	$ 3,258,259
Change in estimate of decommissioning liabilities	434	803	-	1,237
Foreign exchange loss	(168)			(168)
Disposition of property plant and equipment (note 4)	(3,201,850)			(3,201,850)
Balance June 30, 2015	$ -	$ 37,013	$ 20,465	$ 57,478
Accumulated depletion, depreciation and impairment				
Balance December 31, 2014	$ (3,163,318)	$ (25,135)	$ (20,465)	$ (3,208,918)
Depletion and depreciation	(3,755)	(3,485)	-	(7,240)
Disposition of property plant and equipment (note 4)	3,167,073	-	-	3,167,073
Balance June 30, 2015	$ -	$ (28,620)	$ (20,465)	$ (49,085)
Net Book Value				
Balance December 31, 2014	$ 38,266	$ 11,075	$ -	$ 49,341
Balance June 30, 2015	$ -	$ 8,393	$ -	$ 8,393

7. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares with no par value and an unlimited number of first preferred shares with no par value. The first preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series by series basis.

(b) Issued and outstanding

	Number of Shares	Stated Value
Common Shares		
Balance at December 31, 2014 and June 30, 2015	114,038,939	$ 25,737,888

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

7. SHARE CAPITAL (continued)

(c) Warrants and agent options

Warrants

	Number of Warrants		Weighted Average Exercise Price		Value
Outstanding December 31, 2014	16,020,967	$	0.23	$	625,927
Expiration of Warrants	(16,020,967)		0.23		(625,927)
Outstanding June 30, 2015	-	$	-		-

Agent options

	Number of Agent Options				
Outstanding December 31, 2014	1,241,618	$	0.17	$	89,398
Expiration of Agent Options	(1,241,618)		0.17		(89,398)
Outstanding June 30, 2015	-	$	-		-
Total warrants and agent options				$	-

(d) Stock based compensation

There have been no changes to and no activity in the Company's stock option plan since December 31, 2014.

8. COMMITMENTS

In Tunisia, the Company holds a 100% interest in a production sharing contract ("PSC") with Entreprise Tunisienne d'Activites Petrolieres ("ETAP"), the Tunisian national oil company. The Company has a remaining commitment to acquire 130 square kilometres of 3D seismic and a training fee on the PSC estimated to cost approximately $4 million. The Company has until August 7, 2016 to meet its commitment. If the Company is unable to conduct this survey by August 7, 2016 the Bouhajla Permit will expire.

9. SEGMENTED INFORMATION

The primary segmented reporting format is determined to be the geographical segment according to the location of the asset. Management considers the Company to have a single class of business, being the exploration for, development and production of oil and gas reserves. Accordingly no secondary segmented reporting information is presented. There are three geographic reporting segments. Tunisia and North America are involved in exploration and development and the corporate office in Canada is the head office. Revenue, expenses and net income (loss) from continuing operations for the three and six months ended June 30, 2015 and June 30, 2014 are summarized below on a geographic basis. In addition, assets as at June 30, 2015 and December 31, 2014 are summarized on a geographic basis.

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

9. SEGMENTED INFORMATION (continued)

For the three months ended June 30, 2015

	North America	Tunisia	Corporate	Total
Revenue				
Petroleum and natural gas sales	$ 8,770	$ -	$ -	$ 8,770
Royalties	(810)	-	-	(810)
Interest and other	38	-	24	62
	7,998	-	24	8,022
Expenses				
Operating Costs	19,280	-	-	19,280
General and administrative	101	46,060	82,522	128,683
Stock based compensation	-	-	23,829	23,829
Depletion and depreciation	1,582	-	-	1,582
Accretion of decommissioning liabilities	158	-	-	158
Foreign exchange loss (gain)	-	243	(2,267)	(2,024)
	21,121	46,303	104,084	171,508
Loss from continuing operations	$ (13,123)	$ (46,303)	$ (104,060)	(163,486)
Loss from discontinued operations				(56,808)
Loss				$ (220,294)

For the three months ended June 30, 2014

	North America	Tunisia	Corporate	Total
Revenue				
Petroleum and natural gas sales	$ 13,938	$ -	$ -	$ 13,938
Royalties	(1,515)	-	-	(1,515)
Interest and other	40	-	971	1,011
	12,463	-	971	13,434
Expenses				
Operating Costs	7,184	-	-	7,184
General and administrative	98	9,125	254,068	263,291
Stock based compensation	-	-	5,017	5,017
Depletion and depreciation	1,431	-	-	1,431
Accretion of decommissioning liabilities	169	173	-	342
Foreign exchange loss (gain)	-	2,762	(1,398)	1,364
Current taxes	390	-	-	390
	9,272	12,060	257,687	279,019
Net income (loss) from continuing operations	$ 3,191	$ (12,060)	$ (256,716)	(265,585)
Loss from discontinued operations				(10,313)
Loss				$ (275,898)

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

9. SEGMENTED INFORMATION (continued)

For the six months ended June 30, 2015

	North America	Tunisia	Corporate	Total
Revenue				
Petroleum and natural gas sales	$ 18,591	$ -	$ -	$ 18,591
Royalties	(1,659)	-	-	(1,659)
Interest and other	79	-	139	218
	17,011	-	139	17,150
Expenses				
Operating Costs	25,134	-	-	25,134
General and administrative	221	78,988	244,528	323,737
Stock based compensation	-	-	48,020	48,020
Depletion and depreciation	3,485	-	-	3,485
Bad debt expense	-	44,091	-	44,091
Accretion of decommissioning liabilities	273	-	-	273
Foreign exchange loss	-	2,323	1,938	4,261
	29,113	125,402	294,486	449,001
Loss from continuing operations	$ (12,102)	$ (125,402)	$ (294,347)	(431,851)
Net income from discontinued operations				2,270
Loss				$ (429,581)

For the six months ended June 30, 2014

	North America	Tunisia	Corporate	Total
Revenue				
Petroleum and natural gas sales	$ 27,058	$ -	$ -	$ 27,058
Royalties	(2,673)	-	-	(2,673)
Interest and other	78	-	2,207	2,285
	24,463	-	2,207	26,670
Expenses				
Operating Costs	14,064	-	-	14,064
General and administrative	828	16,547	499,441	516,816
Stock based compensation	-	224	10,353	10,577
Depletion and depreciation	2,709	-	235	2,944
Accretion of decommissioning liabilities	335	350	-	685
Foreign exchange loss (gain)	-	4,565	(4,533)	32
Current taxes	780	-	-	780
	18,716	21,686	505,496	545,898
Net income (loss) from continuing operations	$ 5,747	$ (21,686)	$ (503,289)	(519,228)
Loss from discontinued operations				(43,292)
Loss				$ (562,520)

(Unaudited, All amounts in Canadian dollars unless otherwise stated)

9. SEGMENTED INFORMATION (continued)

	North America	Hungary	Tunisia	Corporate	Total
Assets as at June 30, 2015					
Current assets	$ 38,218	$ -	$ 81,619	$ 321,556	$ 441,393
Exploration and evaluation	-	-	42,052	-	42,052
Property plant and equipment	8,393	-	-	-	8,393
	$ 46,611	$ -	$ 123,671	$ 321,556	$ 491,838
Assets as at December 31, 2014					
Current assets	$ 37,096	$ 260,752	$ 274,925	$ 547,165	$ 1,119,938
Exploration and evaluation	-	-	42,888	-	42,888
Property plant and equipment	11,075	38,266	-	-	49,341
	$ 48,171	$ 299,018	$ 317,813	$ 547,165	$ 1,212,167

10. FINANCIAL INSTRUMENTS

The Company's financial instruments recognized in the consolidated balance sheet consist of cash, accounts receivable, and accounts payable and accrued liabilities. Cash is classified as held for trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. The Company's financial instruments that are held for trading have been classified as Level 1 in the fair value hierarchy. Level 1 is determined by reference to quoted prices in active markets for identical assets and liabilities.

Carrying value and fair value of financial assets and liabilities are summarized as follows:

	June 30, 2015	
	Carrying Value	Fair Value
Financial assets held-for-trading	$ 223,856	$ 223,856
Loans and receivables	125,590	125,590
Other liabilities	316,263	316,263

CORPORATE INFORMATION

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President & Chief Executive Officer

Kenneth M. Tompson P. Geol
Executive Vice President & Chief Operating Officer

Lorne A. Morozoff, CA
VP Finance & Chief Financial Officer

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